NOVEMBER 18, 1955 20 CENTS

U.S. News & World Report

The United States News & World Report

REAL MEANING OF THE ELECTIONS

WHAT YOU SHOULD KNOW ABOUT MENTAL ILLNESS

An Interview With **Dr. Winfred Overholser**
Former President, American Psychiatric Association

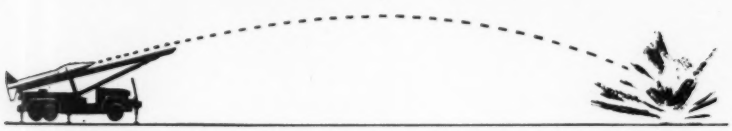
No. 3 in a new series:

New missile marches with the infantry

Modern foot soldiers do more riding than walking. Trucks, tanks and parachutes give the infantry high-speed mobility that calls for equally mobile support weapons.

One such weapon is Honest John. Developed by Douglas in co-operation with Army Ordnance, this new missile is a free-flight rocket without complicated guidance system. It moves quickly into position on a special truck that serves both as transport and launcher. Highly accurate, Honest John can handle either a nuclear warhead or a single explosive round of enormous power.

The U.S. Army's Douglas-Designed HONEST JOHN Artillery Rocket



Defense is everybody's business. Development of Honest John by Douglas is an example of industry's role in U.S. defense. But weapons need people to make them work. The Army needs young men and women who agree that "defense is *everybody's* business."

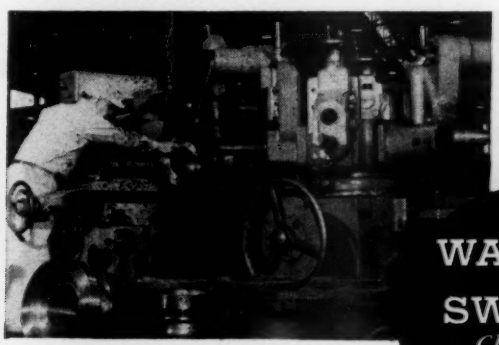
Depend on *DOUGLAS* **First in Aviation**

How the lack of machines puts people out of work

FIFTY years ago America was buying millions of cakes of a then-famous soap. An inventor offered the company president a machine to replace the 50 women then wrapping the soap by hand. He indignantly refused any "modern contraption that destroys jobs."

But his competitor bought it, and cut costs and prices by it. The first company, stuck with high costs and prices because of old-fashioned methods, couldn't compete, and soon *everybody* there lost his job.

Modern management is smarter. It buys modern machines, keeps costs and prices low, increases sales, and so can use the hand-workers somewhere else—often at higher wages. Modern machines *well used* actually *manufacture* jobs and opportunities. It's the *lack* of them that workmen ought to worry about.



4-A Turret Lathe machining large steel forgings

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IN THIS ISSUE:

★ Will Bars to Mixed Marriage Be Lowered Next?

New rulings on "segregation" raise questions about mixed marriages: page 28. Also, two Southern Senators propose "voluntary segregation" and a Negro leader replies: page 86.

★ War or Peace: The Prospects

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★ Is This the Time for You to Buy a House?

Experts from all over U. S. give you their opinions on what's ahead in housing demand, credit, prices. Starts on page 116.

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THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
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"News of even a small strike can run a dealer out of instruments. But we can deliver new instruments overnight by Air Express. And some of those towns are pretty remote. Air Express is not only the fastest air service — it is often the *only* one. No wonder we need Air Express. We would be seriously handicapped without it.

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It's the unexpected expenses that make it hard to balance the budget . . . and what's more unexpected than a pipe line that fails way before its time. If it happens, the bills for repair and replacement, often charged at overtime rates, and the slow-down in production, can present quite a serious threat to operation.

Fortunately, there's an answer to the problem. Wrought iron pipe. It has the unique ability of lasting a long, long time. And all the while it's in service, you're saving money. Write for our booklet, *True Piping Economy*. A. M. Byers Co., Clark Bldg., Pittsburgh 22, Pa.

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WROUGHT IRON PIPE

The March of the News

LATEST ON SALK VACCINE

CHILDREN WHO RECEIVED even a single shot of Salk vaccine this year "were substantially protected against paralytic polio," Surgeon General Leonard Scheele told a convention of military surgeons in Washington last week. "Paralytic attack rates in vaccinated children have been lower by 67 to 90 per cent than in unvaccinated children of the same ages," he said.

The Public Health Service reported that in the latest week new polio cases had dropped by 15 per cent. The yearly total now stands at 27,080, compared with 35,357 for the same period of 1954. Of this year's cases, 9,591 are paralytic, compared with 13,001 for last year's comparable period.

"FREE" SPEECH

EARLY-BIRD POLITICIANS were dusting off their hats, and the ring for the 1956 presidential race was wide open. One radio-TV network decided to egg the candidates on a bit. The American Broadcasting Company announced it would give free time to "recognized political figures" in the two major parties who wanted to announce their candidacy for President over radio or television.

BILLIONS FOR EXPANSION

VOICING CONFIDENCE in the business outlook, two major corporations disclosed big expansion plans. Standard Oil Company of New Jersey said it will spend 1.2 billion dollars in 1956, and Chrysler Corporation announced a billion-dollar growth program. About half of Standard Oil's spending will go for exploration and development of oil sources; the remainder, for added refining, marketing and transport facilities. Chrysler's program, to be spread over the next five years, includes new assembly plants, engine plants, office buildings and laboratories where research will be pushed on gas-turbine engines, electronics, nuclear and solar energy.

CIO LOSES ELECTIONS

EMPLOYES OF THE Perfect Circle Corporation voted to oust the CIO United Auto Workers as their bargaining agent, in National Labor Relations Board elections at three plants in Indiana. The votes: At Perfect Circle's main plant in Hagerstown—475 against UAW, 233 for; at a machining plant in Richmond—138 against UAW, 96 for; at a Richmond castings plant—45 against UAW, 35 for, with 13 other ballots challenged by the union. Meanwhile, a strike continued at Perfect Circle's plant in New Castle, Ind., scene of a riot last October 5. The UAW's position as bargaining agent for that plant is not an issue in the current strike.

AMERICANS ABROAD

THE STATE DEPARTMENT published its semiannual "nose count" of Americans with a yen to travel, revealed these facts about the people who obtained passports during the first six months of 1955: A total of 334,284 Americans got passports. Nearly half—150,352—of these just wanted to travel; 119,157 had personal business abroad. Some 28,917 were interested in commercial ventures, and 15,659 were seeking further education.

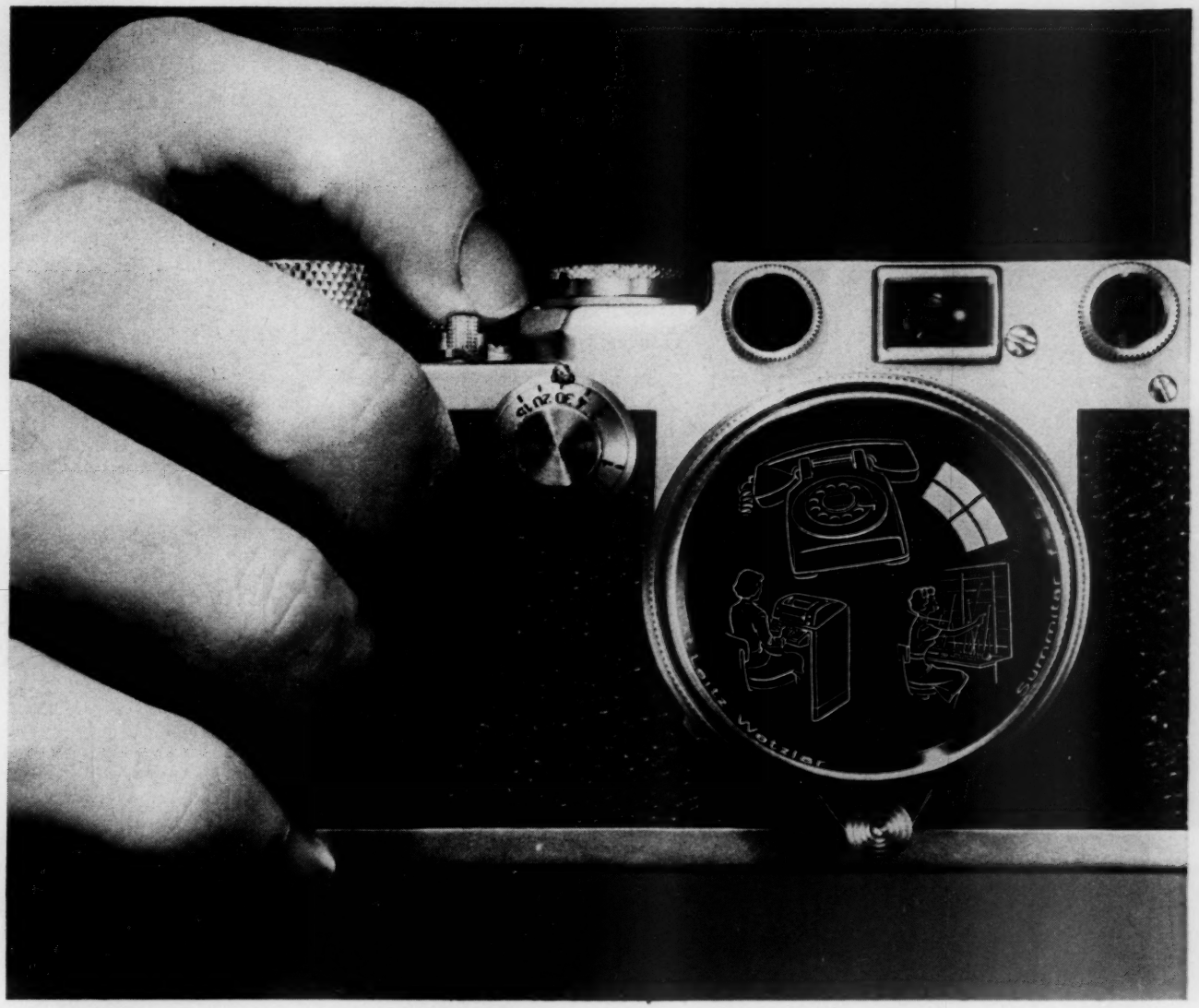
Meanwhile, the Associated Press polled congressional offices to inquire how many legislators had gone, or were going, abroad this year. Their findings: 39 Senators and 167 House members, representing every State but New Hampshire, were among the travelers.

DAY IN COURT

IT STARTED WITH A DECISION by the U. S. Supreme Court. Ruling that "Congress cannot subject civilians . . . to trial by court-martial," the Court struck down a 1950 law permitting the armed forces to arrest former servicemen for offenses alleged to have been committed while in uniform. The decision freed Robert W. Toth, formerly of the Air Force, from a charge of participating in the murder of a South Korean civilian.

Within 24 hours of that decision, the doors of an Army guardhouse opened to release three "turncoat" GI's of the Korean war: Otho G. Bell, William A. Cowart and Lewis W. Griggs. These were the men who had cast their lots with the Communist Chinese, then changed their minds and came home. While still in China, they and 18 of their comrades were given dishonorable discharges from the Army on orders of Defense Secretary Charles E. Wilson.

The three former soldiers said they were considering filing suit against the Army for false arrest and back pay. The Government weighed the possibilities of setting aside the dishonorable discharges to bring them back under military control, or of trying the trio before a civilian court on charges of treason. If neither course proved feasible, it might mean that the 18 still in China could come home with impunity.



Do you have a good picture of what Bell System communications can do for you?

Looked at your communications recently? You might be surprised at what has happened as your business has grown—the wrong type of equipment here, not enough of the right kind there.

To make sure your communications are doing a good job for you, why not let the Bell System review them? The result can mean substantial savings in time and money to you, faster and better service for your customers.

Bell System recommendations are "custom-built" for your particular communication requirements. This is important since no two companies, even in the same industry, do business exactly alike. They differ in size, territory and methods of operation.

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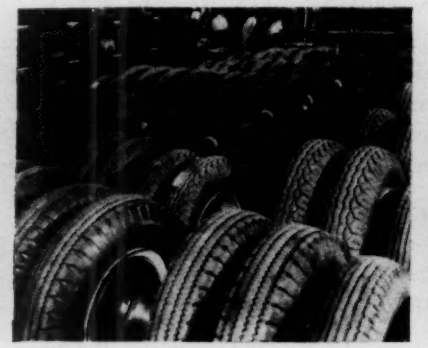
The Bell System will give you a clear picture of your communications and recommend services for your specific needs. There's no cost or obligation—just call your Bell Telephone business office.

BELL TELEPHONE SYSTEM

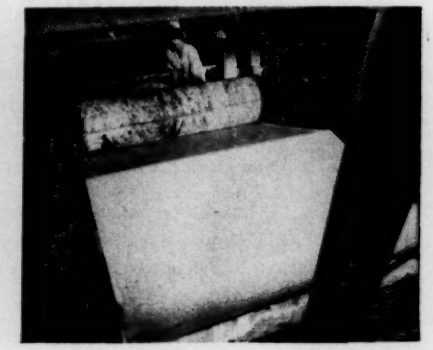
TELEPHONE TELETYPEWRITER MOBILE RADIO TELEPHOTOGRAPH RADIO AND TELEVISION NETWORKS

1 Barium Reduction Corporation, S. Charleston, W. Va., is headed by able Louis Preisman (right). Here he confers with his general sales manager, K. O. Priddy (center), and C. J. Farcasin of Wyandotte. "The Wyandotte representative is most co-operative in taking care of our needs," Mr. Preisman relates. "When he says a carload of caustic or soda ash is en route, we can schedule our production on it." Many industries have learned to rely on Wyandotte, not only for chemicals of the highest quality, but also for technical assistance to help them improve their manufacturing processes, make better products.

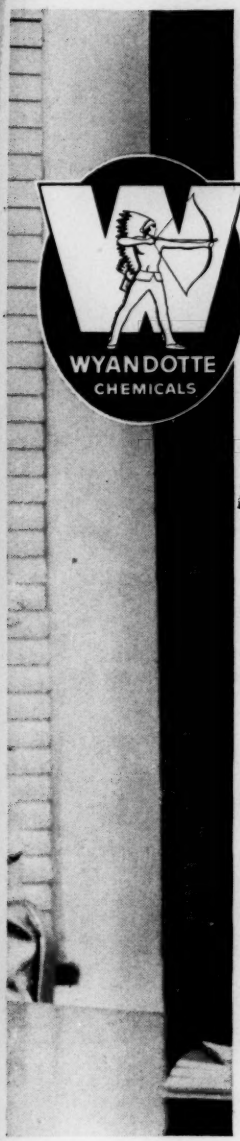
2 Barium carbonate adds brilliance to television picture tubes. Barium Reduction Corp. uses Wyandotte Soda Ash in the manufacture of its high-quality barium carbonate. Wyandotte Soda Ash is also an important ingredient in the glass itself; is used extensively by the glass industry.



3 A special grade of barium sulfate, developed by Barium Reduction Corp. for the rubber industry, improves the quality of molded rubber products, like above tires. Wyandotte supplies chemicals to the rubber industry, including: calcium carbonate, caustic soda, and bicarbonate of soda.



4 Paper coating requires a barium sulfate of specific characteristics. Barium Reduction Corp. has successfully developed these characteristics. Wyandotte works closely with the paper industry; helps develop new techniques and products that improve the quality of fine printing papers.



Wyandotte chemicals are at work behind the story on . . .

how barium brightens your life

Founded during World War I, Barium Reduction Corporation has mushroomed into the nation's largest maker of barium compounds — products which are an important part of your way of life.

Although many people are familiar with barium only as the element *(Ba)* — or as a liquid compound taken to make the digestive tract opaque to x-rays — it is used in widely diversified fields.

Examples: a radioactive isotope of barium gave the first clue in the development of the atom bomb. Precipitated barium sulfate is used as "permanent white" in printing inks, paper — and in improving molded rubber. Barium carbonate lends brilliance to glass TV picture tubes; is used in light-bulb sockets.

As a basic producer of raw-material chemicals, we have worked closely with Barium Reduction Corporation, supplying soda ash and caustic soda for the manufacture of its barium compounds and other chemicals. Fact is, in practically every industry you can name, Wyandotte chemicals play a vital role. How about *your* business — may we serve you? *Wyandotte Chemicals Corp., Wyandotte, Michigan. Offices in principal cities.*

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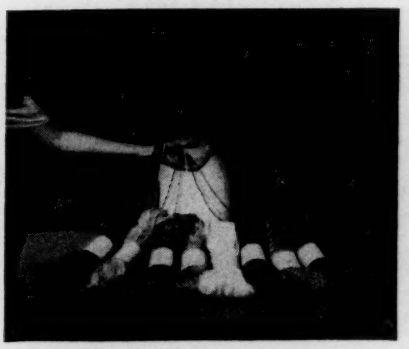
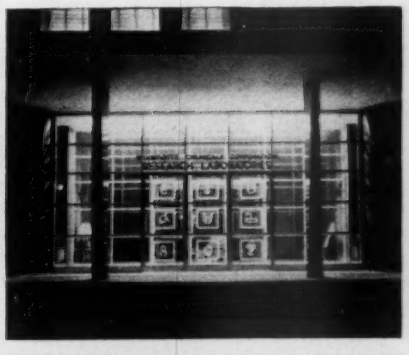


5 **Barium Reduction Corp.** also makes carbon bisulfide, which is used with Wyandotte Caustic Soda and either wood pulp or cotton linters to form viscose for making rayon. The textile industry also uses soda ash, chlorine, synthetic detergents, and other products made at Wyandotte.

6 **High-detergency** lubricating oils, which are needed for modern high-compression engines, contain barium compounds to keep dirt and engine deposits in suspension. Wyandotte also keeps pace with modern industry, with new products like the Pluronics®, amazing new nonionic surfactants.



7 **Wyandotte's** research center, one of the finest in the industry, is equipped to give you practical, helpful information on the industrial use of our many chemicals. If you have a chemical or processing problem, perhaps we can help you. Write us now, giving details of your problem.

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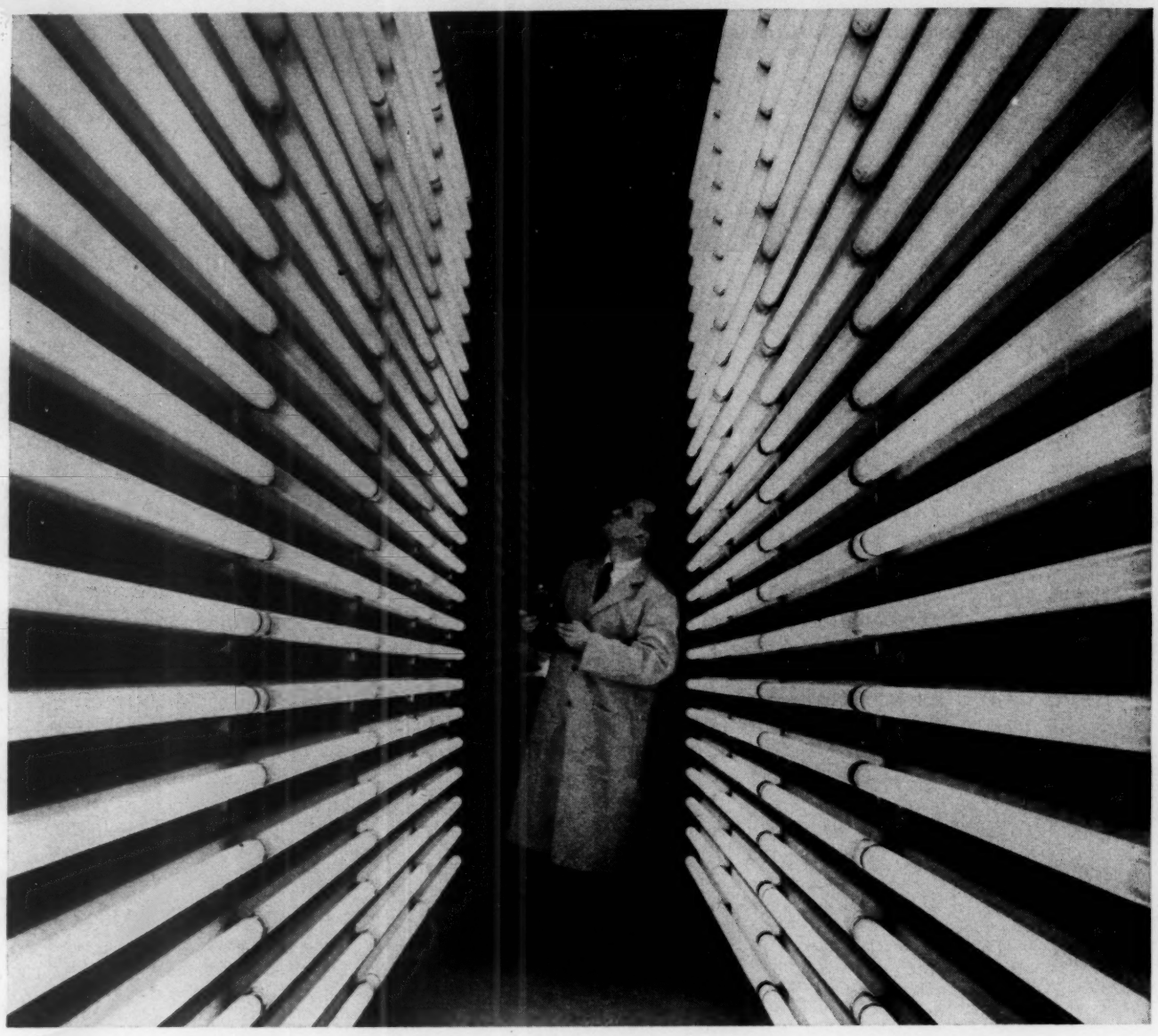

How uniform life, light output and freedom from defects in G-E lamps save you money

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UNIFORM LIFE—You save time, trouble and money. 99 out of 100 General Electric 40-watt fluorescent lamps will last more than a year in single-shift plants (2500 hours service)! 96 out of 100 will still be in service after a year's service in double-shift plants (4000 hours service)!

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A LOOK AHEAD

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If White House aides have their way, things will work out like this:

Mr. Eisenhower will go about his job in a normal way. Politics and the question of a second term will be pushed far into the background.

Ike, at Convention time, can decide whether his strength will permit a try for another four years in the White House. If so, a second nomination will be automatic. If not, the President can indicate who should be named.

As of now, those who have seen the President are impressed by the rapid recovery he has made, by the vigor that he shows.

Political advantages of a delayed decision are listed as these:

"Favorite son" candidates, if decision is delayed, will be in an embarrassing position. So long as Ike might run, others will be restrained from jumping into the race. Party squabbles, on that basis, can be avoided.

Democrats, at the same time, will be kept off balance. The Democrats in 1956 must name their candidate ahead of the Republicans. They would be forced to nominate, uncertain who would be on the opposing ticket.

Congress, too, can be kept in line better during the session ahead. If Mr. Eisenhower is likely to continue as President for five more years, then individuals in Congress will accept some political discipline. If, however, Ike says that he plans to retire, there could be a political circus.

All of those considerations are being mentioned. They enter into the growing pressure for a delayed decision, into the judgment of White House aides that the President will leave the door open to a draft.

Factors that will influence Ike's final decision:

A sense of duty, a feeling of responsibility for following through on policies laid down in a first term. World outlook, the hope that continued service might improve the chances for peace. Political concern, the feeling that Democrats might win and upset a course now laid out.

Doctor's orders, advice concerning what effect a campaign and second term might have on his health. Ike might put other influences above advice of his doctors. That, at least, is the opinion of his friends.

If Ike does run again it will be a sitting-room campaign.

Election results of 1955, scattered and local, add to the pressures that are building to convince the President that he should not step aside.

Democrats, on balance, showed increased strength in Indiana, New Jersey and Kentucky. They showed scattered and local gains elsewhere. Republicans revealed party differences in Indiana and in the big city of Philadelphia.

(over)

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Farmers, in Indiana and Kentucky, wherever farm vote could be measured, indicated dissatisfaction with present policies. Labor-union strength for Democrats was indicated, particularly in Indiana.

Election drift in 1953, 1954 and now in 1955, is regarded by Democrats as favorable to them. Republicans, after losing Congress in 1954, are more than ever interested in having Mr. Eisenhower head their ticket in 1956. Ike has a proved vote-getting ability such as no one else in public life now.

The 1955 elections showed this, too: Big spending, free-and-easy bond issues no longer have easy sledding. A billion in new bond issues went down to defeat; about 500 millions was approved. Urgent need is the yardstick that voters appear now to apply to new public works. Schools, as a rule, get approval. Parking lots, less urgent projects tend to be disapproved. Tax increases, even if to be used to finance better roads, have hard sledding.

Public mood, on spending, is increasingly conservative.

Business, booming now, probably is reaching for the top.

A business turn, from boom to mild adjustment, is probable before the middle of 1956. It could come early in the second quarter.

Housing starts, important to future business, now are off somewhat. New-car sales, booming along at present, are likely to feel effects of tighter credit before 1956 is far along. Chances are that 1956 will see construction of around 1.1 million new houses, output of around 7 million new cars.

That suggests good business by any standard, but not expanding boom.

1956, over all, is likely to average out a little better than 1955, but with this difference: 1955 moved steadily upward; 1956 may move off a trifle.

It's personal debt that's the troublesome problem right now. Loans to buy autos have risen nearly 50 per cent in a single year. Officials now are concerned about that rise. But: Lacking authority to control installment terms directly, Government has tried to control it by tightening all credit.

Result: Mortgage credit is affected, too, affecting construction.

If Government loosens up on credit, installment credit might rise even faster until the rise became dangerous. Yet, if it keeps credit tight, the building business feels it quite severely. That's the dilemma.

Personal debt now is $2,512 per family. That compares with $1,204 as late as 1948, with $2,088 at the start of 1954. Ratio of personal debt to income available for spending stands at 45 per cent. That's the highest on record for any boom period. Installment credit in relation to sales of cars, at 50 per cent, is the highest in the past 19 years.

Rate of personal saving, at the same time, is down to 5.9 per cent of personal income after taxes. That's the lowest since 1950, when Korean war touched off a buying spree. Many people are living much beyond their incomes.

That's the situation officials are hoping to correct. Policy aim is to slow the rate of credit expansion. A slowing in the rate of new lending will take the fever out of the boom atmosphere. Failure to slow could force more drastic action that, in turn, might really affect business later.

As things appear now: Business trend for months just ahead is to be gradually upward. Trend later in 1956 probably is to be mildly down.

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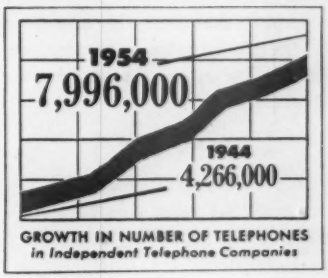
One telephone for every seven Americans, when his parents first learned to walk. Now, a telephone for every three! And each day, 10,000 of tomorrow's customers are born! Keeping step with the nation's growth—meeting the needs of our swiftly expanding population and booming industries—are America's 5,000 Independent telephone companies. Their responsibility: over 11,000 communities...two-thirds of the entire area of the United States...a population of nearly 25,000,000...and more and better telephone service every step of the way!



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[Items appearing on this page are reported in Washington and other news centers]

Warren Firmer Than Ever . . . Two "Favorite Sons" For Ohio . . . Some of Yalta Papers Still Secret

Earl Warren, Chief Justice of U. S., plans to issue a new statement, even stronger than his first, if talk of drafting him for the Republican nomination keeps up. In his first statement, the Chief Justice said that under no circumstances would he be a candidate and that his decision was "irrevocable."

* * *

A close friend of Chief Justice Warren insists that, if drafted despite his wishes, Mr. Warren would refuse to accept the nomination.

* * *

Word is being dropped by the White House staff that it will be April, or later, before President Eisenhower makes any statement concerning his future political plans. The later the announcement, the more difficult it will be for Mr. Eisenhower to bow out.

* * *

Frank Lausche, Governor of Ohio, will go to the Democratic National Convention as his State's "favorite son" for the nomination. Governor Lausche will have a firm hold on the important Ohio delegation.

* * *

John Bricker, Ohio Senator, expects to control the Ohio delegation to the Republican Convention as a "favorite son" candidate. Everett Dirksen, Illinois Senator, will seek the same position in Illinois. Joseph McCarthy, Wisconsin Senator, is planning to enter the Nebraska primary, as well as the primaries in Massachusetts and Wisconsin.

* * *

Estes Kefauver, Senator from Tennessee, is moving cautiously in the maneuvering for the Democratic presidential nomination until he is sure where his financing is to come from. Senator Kefauver ended up $35,000 in debt from the 1952 pre-Convention battle and has had to struggle to get this debt paid off before another campaign starts.

* * *

Some important members of the White House staff are beginning to be concerned by the slowness of getting decisions on top matters since the President's illness. The wheels of government are turning much more slowly.

* * *

Paul L. Patterson, Oregon Governor, is prepared to oppose Wayne Morse in the 1956 race for the Oregon seat now held by Senator Morse. Grassroots sampling is reported to have convinced the Republican Governor that he will win, whether or not Mr. Eisenhower heads the party ticket.

* * *

Some wags are suggesting that, if Republicans in 1956 are sure that names win elections, they should run a ticket of Milton Eisenhower, the President's brother, and John Roosevelt, Republican son of the former Democratic President. In this way the party could capitalize on two of the most popular names in modern political history.

* * *

Harold Stassen, aide to the President on disarmament, and others of the White House group favoring a bigger program of economic aid for backward countries, are going to lose out in the showdown. Mr. Eisenhower inclines to those who want tighter reins on giveaway programs.

* * *

Herbert Hoover, Jr., more and more is a major force in the direction of the Department of State. Under Secretary Hoover often draws on his father, the former President, for advice.

William McChesney Martin, Jr., Reserve Board Chairman, still is concerned by the rapid growth of installment credit. Until signs appear of a decline in the rate of this growth, a tight hold will be kept.

* * *

Republicans in the Department of State who were let out for pressing to get published the records of wartime conferences, were not given the hearings or appeals that the Department gives to suspected Communists and others accused of being security risks. High officials did not give these Republicans the courtesy of the personal conferences that important security risks get before being let out.

* * *

Official records of the Potsdam Conference, at which an effort was made to apply the Morgenthau plan to Germany, have been ready for printing for more than 18 months, but have not been made public despite pressure from Republican Senators. Harry Truman, former President, who represented U. S. at that Conference, has published his version of these papers, selling it for a substantial price.

* * *

Some important Senators are going to press John Foster Dulles, Secretary of State, to make public additional files of papers on the Yalta Conference, including several files of Alger Hiss material. These papers were kept out of the published material that had been described as complete.

* * *

Defense Secretary Charles E. Wilson's endorsement of a second "summit meeting" caught the State Department completely by surprise. No important Department official in Washington had been giving the matter any thought. The same is true of U. S. diplomats at Geneva.

NORTHWEST ORIENT AIRLINES INSTALLS GILFILLAN GCA QUADRADAR IN ALEUTIANS

FIRST PRIVATE PURCHASE OF ANY GCA EQUIPMENT

Gilfillan GCA Quadradar will bring complete radar traffic control to serve Northwest Orient Airlines and military traffic at the crossways of the Great Circle Route.

Two Gilfillan GCA Quadradars have been purchased by the Navy to function with Operation Deep Freeze at the South Pole. Gilfillan GCA Quadradars are now in operation in both polar regions. Eight have been purchased by the Royal Canadian Air Force for remote Arctic bases; two by the Finnish Air Force for similar operation.

OTHER QUADRADAR PURCHASERS:
United States Army; United States Marine Corps; United States Air Force; French Air Force; South African Air Force; Irish CAA; Austrian CAA.

In addition, Quadradars will shortly be in operation in Australia, New Zealand, Sweden, Denmark, Belgium and Holland. Never before has a navigation aid received such immediate universal acceptance as the proven Gilfillan GCA Quadradar.

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PEOPLE ★ ★ ★

OF THE WEEK

FUND PRESIDENT with one of the world's largest fortunes to parcel out to favored causes is a key figure in the decision to offer Ford Motor Company stock on the open market for the first time. **H. Rowan Gaither, Jr.,** is the lawyer-banker at the helm of the Ford Foundation. He directs distribution of Foundation assets estimated in excess of 3 billion dollars.

The Foundation operates independently of the auto company, makes grants for research and for projects aimed at "advancing human welfare." Sale of a portion of its vast holdings of Ford stock will enable its trustees to finance these activities with earnings from diversified investments.

Mr. Gaither, 46 this month, earned his law degree at the University of California; worked three years for the Farm Credit Administration before entering private law practice with a San Francisco firm. World War II brought him to Washington as a consultant on research and development of the nation's defenses. He joined the Ford Foundation in 1948, became its president in 1953.

Mr. Gaither has disclosed that—in 20 years—the Ford Foundation has given away 350 million dollars. He is a stout defender of private philanthropies from criticism that he believes sometimes stems from "misunderstanding, misconception or mysterious motives," denies that subversives have ever benefited from Ford Foundation funds.

A RUSSIAN VISITOR, touring the U. S. to study how this country houses its millions, has learned he no longer is a hero back home. **Alexander V. Vlasov** heard the bad news as he was preparing to leave New York on his return trip. He will be looking for a new job when he arrives home, now that the Reds have criticized his work.

Mr. Vlasov is one of four top architects penalized by the Soviets. Some were stripped of their Stalin Prizes, which carry with them gold medals and monetary awards of up to 100,000 rubles. The Russians figure four rubles to a dollar —but their real value is less.

The four architects are accused of squandering public money on fancy decorations for buildings; of erecting skyscrapers and ignoring the people's need for homes. Worst of all, the Red Government said, many of their buildings were ugly.

Mr. Vlasov has been president of the Academy of Architects of the Soviet Union. He came to the U. S. with Russia's 10-man housing delegation, celebrated his 58th birthday in Washington. There, he said that the Pentagon reminded him of "a castle in Italy."

The censured architect told interviewers in New York before he sailed that he was returning home "to do what I did before; that is, my work." He concluded: "I know I will have work forever."

NEW RESIDENT GENERAL of French Morocco is a persevering man who once achieved what many Europeans had be-

(Continued on page 16)

PRESIDENT'S PROGRESS—DENVER TO WASHINGTON TO GETTYSBURG

PRESIDENT EISENHOWER, looking lean and sharp after a 49-day battle with one of mankind's greatest destroyers, came back East. Ahead of him lay six weeks—at least—of recovery at his farmhouse in the rolling hills of southern Pennsylvania.

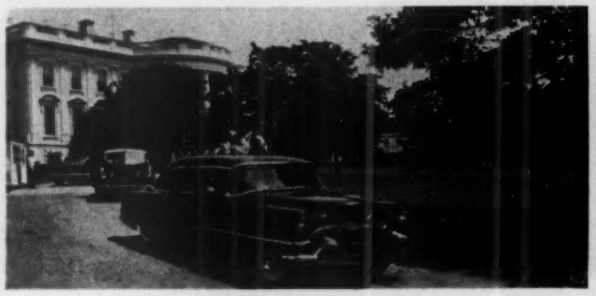
The nation's most famous heart victim arrived in Washington with Mrs. Eisenhower in his personal plane, *Columbine III*. It was Veterans Day, and thousands of Government workers on holiday lined the streets with other well-wishers to welcome the Eisenhowers on the drive from the airport to the White House.

IKE AND MAMIE

Before leaving Fitzsimons Army Hospital, in Denver, Mr. Eisenhower passed a "final" heart examination with flying colors. He also resumed one of his official duties in greeting President and Mrs. Carlos Castillo Armas, of Guatemala; accepted gifts from the Central American visitors for himself and his three grandchildren.

In Gettysburg, all was ready for the President. The community pledged itself to a policy of "let him alone—let him get well."

A new putting green on the farm grounds received a final manicure. It beckoned Ike to resume practicing golf. The Gettysburg Hotel turned its auditorium into a press headquarters. In the newly furnished farmhouse an office was staffed and ready for the President to make a start on piled-up work.



THE WHITE HOUSE

—Wide World, USN&WR

THE GETTYSBURG FARM

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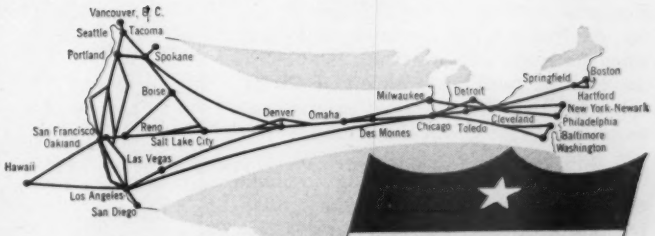

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lieved to be impossible. **André Dubois,** when he was prefect of police in Paris, silenced the shrill auto horns that had long beat against the eardrums of residents and visitors.

Mr. Dubois was sent to Morocco at a time when the French position there looked more hopeful than at any time in many months. Moroccan nationalists who had been blamed for outbursts of violence that took many lives appeared to be placated by the restoration of their Sultan, Sidi Mohammed ben Youssef, to his throne. The Sultan had been deposed and sent into exile by France in 1953.

The new Resident General, 52, will be returning to familiar soil. He was born in Bone, Algeria, but his parents—French colonists—later established a home in Morocco. It was from there that Mr. Dubois went to Paris and a career in the police department.

A rising police official at the time France was beaten to her knees by the Nazis, Mr. Dubois quit his post, went underground. He returned after the war to his police duties, became known as the "prefect of silence" for his drive to silence auto horns. He has a taste for good food and good books, plays tennis to keep in top physical shape.

› **RED DIPLOMAT** who is to be Russia's first ambassador to West Germany is known to the West as the "master mind" behind the Communist take-over in Czechoslovakia. **Valerian A. Zorin,** nominated to head the Soviet diplomatic delegation in Bonn, is a Deputy Foreign Minister, has served as permanent Soviet representative to the United Nations.

Mr. Zorin, now 53, joined the Reds as a teen-age student, became prominent as a member of the Central Committee of the Communist Youth League and was selected for special training. By 1943 he was in charge of the important Central European section of the Foreign Ministry. As Russia's representative in Prague when President Eduard Benes established the first postwar Government of Czechoslovakia, Mr. Zorin stayed long enough to see to it that Czech Communists were put into key spots.

When the Reds were ready to make their bid for power in February, 1948, Mr. Zorin quietly returned to the Czech capital. Soon afterwards, the Communists announced they had discovered an "armed plot" against the Government. The Red take-over followed.

The new Soviet envoy to Bonn also is said to have drawn up a similar "Zorin Plan" for Red conquest of Italy. That plot collapsed, however, when the Communists failed to muster sufficient strength in the 1948 elections.

BORDER FOES

ISRAEL'S GENERAL DAYAN

› **YOUTHFUL GENERALS**—both onetime farm boys—head military forces stabbing at each other in the Middle East.

Maj. Gen. Moshe Dayan, Chief of Staff of Israel Defense Forces, is 40. A native-born Israeli, he joined the Jewish volunteer army at 14, was later jailed on terrorism charges, lost an eye fighting on the Allied side in World War II.

Maj. Gen. Abdul-Hakim Amer, Commander in Chief of Egyptian armed forces, will be 36 next month. As a major, he was a member of the Revolutionary Council that ousted King Farouk in 1952. His nickname is "the Sly Fox."

—United Press

EGYPT'S GENERAL AMER

› **A PHILADELPHIA ATTORNEY** whose political star shone brighter last week—though he won no office—is **Joseph S. Clark, Jr.,** the outgoing mayor. A Democrat, he stepped aside after one term as head of the nation's fourth-largest city, is planning a campaign to unseat U. S. Senator James H. Duff, Republican, in the 1956 election.

The mayor-elect is Richardson Dilworth, also a Democrat, who ran with Mr. Clark's support. They have been battling the Republicans as a "reform" team since 1947. Mr. Clark's victory four years ago put a Democrat in the mayor's office for the first time since 1884. He introduced to Philadelphia a city charter that strengthens the civil-service system, discourages corruption.

Mr. Clark attended Harvard, was on the baseball and track teams, graduated *magna cum laude* with a Phi Beta Kappa key. He took his law degree at the University of Pennsylvania Law School, joined the Army Air Corps before Pearl Harbor because "a friend called me from Washington and said war was surely coming." He spent four years in wartime service, a large part of it in the China-Burma-India theater. He has described his political philosophy as "right-wing New Deal."

› **REVOLUTIONIST LEADER** in Brazil is a man with a reputation as a defender of constitutional processes. And the revolutionist, **Gen. Henrique Teixeira Lott,** may prove to be just that.

Aim of General Lott's revolution appeared to be that of insuring that the President-elect, Juscelino Kubitschek, is permitted to take office January 31, as the Constitution provides.

There are strong political and military elements in Brazil which oppose Mr. Kubitschek as a political heir of the late President Getulio Vargas, who was forced out of office by the Army and committed suicide in 1954.

The acting President who was ousted by the Lott revolution, Carlos Coimbra da Luz, is a political rival of Mr. Kubitschek. And just the day before the revolution, General Lott resigned as War Minister because Mr. Luz would not let him discipline a colonel who had criticized Mr. Kubitschek's election. General Lott then rallied the Army behind him and took over the Government.

Congress declared Mr. Luz out of office, and named Senate President Nereu Ramos as temporary Chief Executive.

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here's a better way

Husking by hand may be a matter of pride . . . but when you *mechanize* the job, and go down the rows with a modern corn-picker and husking unit—it's a matter of *profit!* Sundstrand's contribution to this "better way" is through machine tools such as the Sundstrand Lathe (*right*) used to produce farm implement parts. Sundstrand machines and technical know-how are helping to bring manufacturing costs *down*, production *up*. The farm equipment field is just one of many served by Sundstrand's "Engineered Production" Service.* Perhaps Sundstrand is a name to remember in *your* business, too.

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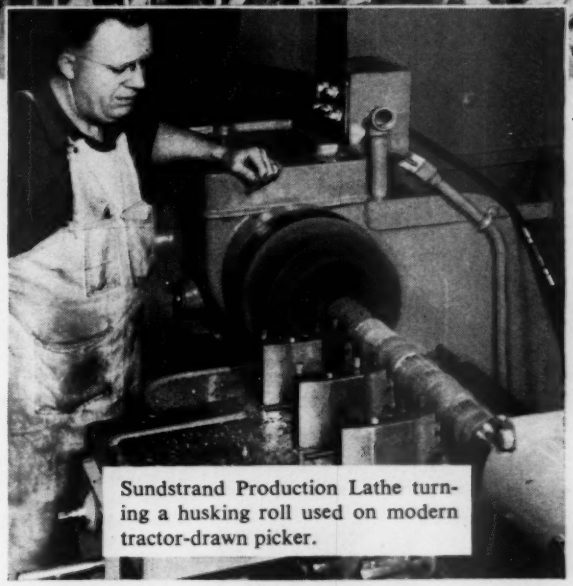

Sundstrand Production Lathe turning a husking roll used on modern tractor-drawn picker.

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You'll gain floor space, improve efficiency, increase job satisfaction—and at the same time enhance your reputation as a progressive, up-to-date organization in the eyes of clients, customers—*and prospective employees.*

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"Eye-Comfort" tops cut down eye strain and fatigue. Drawers slide smoothly and silently on long-lasting nylon glides—will not stick or bind because Berger's all-welded steel construction assures absolute rigidity. And the handsome Executive Conference Desk provides an extra-big top size for time-saving meetings right at your desk—plus many other important features.

Standard on all equipment are two distinctive new colors—sahara beige and willow green—both keyed to the most modern decorating. Also your choice of other finishes—platinum grey, walnut and mahogany grains.

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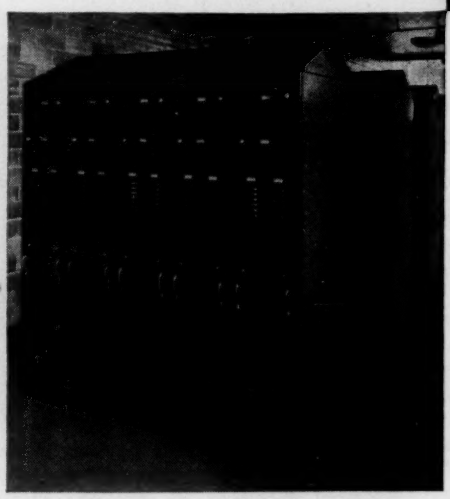

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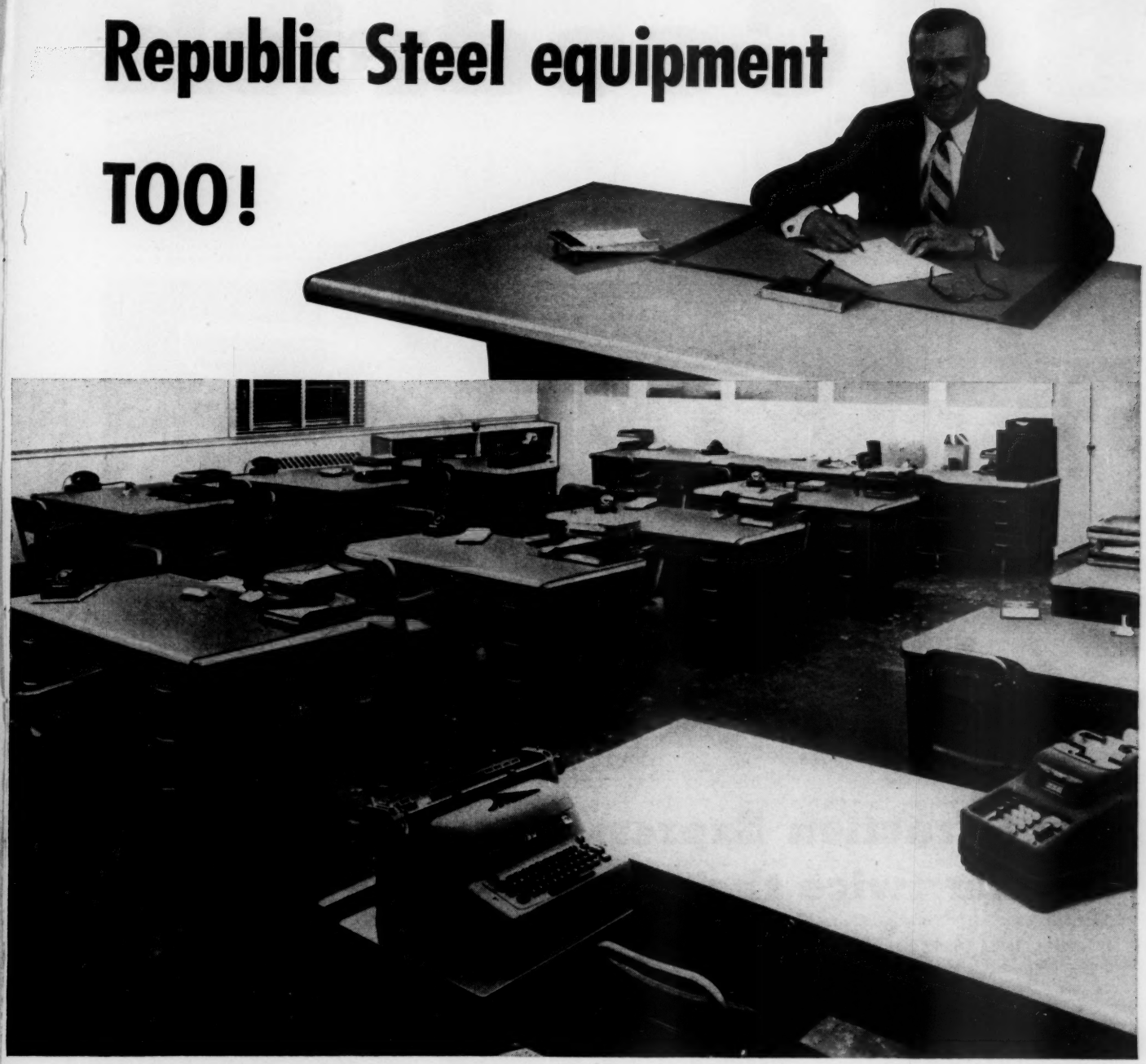

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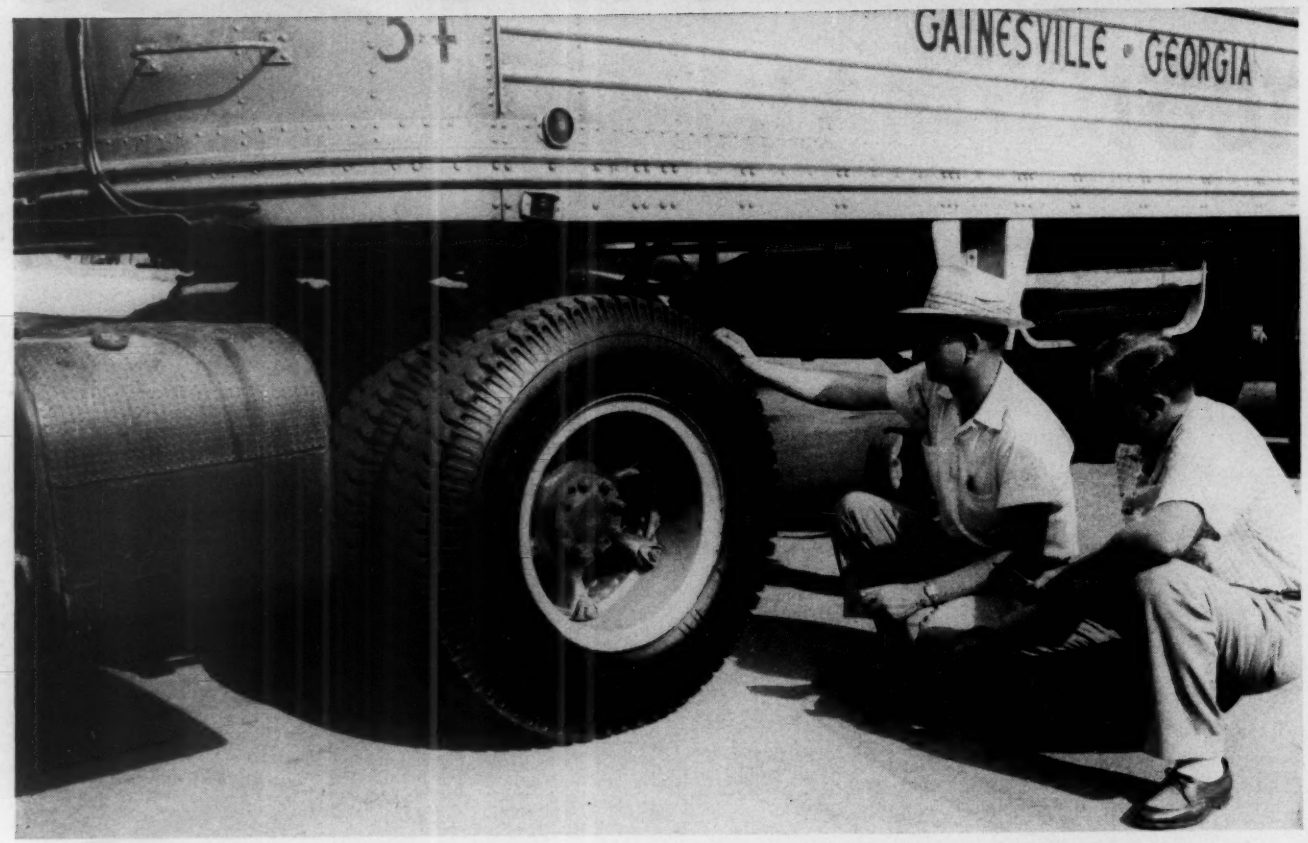

How Traction Express tires give Georgia trucker twice the mileage of other makes

J. D. JEWELL, INC., trucks haul frozen poultry and pastry all over the country. These trucks roll out of Gainesville, Ga., 6 days a week carrying loads up to 16 tons. Tires are a big part of this company's costs. Road delays boost expenses even more.

But Jewell uses B. F. Goodrich *all-nylon* Traction Express tires, reports they have already gone 136,000 miles and with recaps will be good for 225,000 miles. Trouble-free mileage like this is twice what other tires have given, cuts tire costs to a minimum.

B. F. Goodrich Traction Express tires have a tread that's up to 46% thicker than that of a regular tire. The husky, curved cleats deliver greater traction and skid resistance. And under the tread is the B. F. Goodrich *all-nylon* cord body.

Nylon withstands double the impact of ordinary cord materials, resists heat blowouts and flex breaks. *All-nylon* Traction Express tires outwear the original tread, *can still be recapped over and over!*

See the tire that truck operators call "the 100,000-mile tire" at your B. F. Goodrich retailer's. (Traction Express tires with rayon cord body available at lower price.) Or write *The B. F. Goodrich Company, Tire & Equipment Division, Akron 18, Ohio.*

TRACTION EXPRESS tires have practically eliminated delays, breakdowns and impact breaks for W. S. Kerr, Cleveland, Mississippi.

ALL-NYLON Traction Express tires have rolled 254,000 miles in 'round-the-clock service for Townsend's Dairy, Port Arthur, Texas.

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REAL MEANING OF THE ELECTIONS

Democrats Stronger—Republicans Have a Problem

Now that the first "trial heats" have been run in advance of next year's election—

Democrats can count gains in tested areas.

"I like Ike" isn't a sure-fire way to win where local issues enter in.

Farm sentiment is a thing for both parties to watch in advance of next year's campaign.

Farm voters seem restive. A big switch could hurt Republicans in 1956.

A few scattered elections in 1955 don't show any big, over-all trend on a nation-wide basis. But they do show the mood of voters at a time when both parties are getting set for the 1956 White House race.

Out of the 1955 elections, scattered and for the most part local, come these results that can bear on the outlook for 1956:

• Democrats will go into next year's presidential contest with a stronger local position in New Jersey, Indiana, Kentucky and Pennsylvania—States with 71 electoral votes. Democratic organizations have been fortified by numerous gains in city and county governments; Republicans weakened.

• In two States, Kentucky and Indiana, the returns are considered to reflect, in part at least, rural attitudes toward Republican farm policy.

• In the larger cities of Indiana, labor organizations were credited with stirring up anti-Republican sentiment, getting out a big vote.

• Lack of major contests reduced significance of the vote. Democratic Chairman Paul Butler saw a favorable trend; Republican Chairman Leonard Hall could see nothing of the kind.

• The trends that did show, however, are expected to add to the pressure on President Eisenhower to run in 1956, despite his heart attack.

Looking at specific situations, you discover, briefly, that:

In Indiana, the extent of the Democratic sweep surprised both parties. Seventy-two cities, big and little, wound up in Democratic control, a net gain of 39. Use of troops in a recent strike disturbance, an issue seized upon by the labor unions, may have hurt Republicans in some cities. Observers considered the Administration farm policy and sagging farm prices as factors in rural areas. Political experts in Indiana began calling the State "doubtful" in next year's presidential and congressional elections.

In Kentucky, a Border State, Democratic strength was impressive, the greatest in many years. A. B. (Happy) Chandler was elected Governor in a landslide over Republican Edwin R. Denney. Mr. Chandler, regaining power in the State, is to control Kentucky's delegation to the Democratic National Convention. He is opposed to Adlai E. Stevenson. In rural sections, Democrats made a big point of Republican farm policy. The size of the Democratic majority indicates the Re-

—United Press

DEMOCRAT BUTLER
Signposts for 1956? . . .

—Harris & Ewing

REPUBLICAN HALL
. . . or just "off year" losses?

publicans may be hard put to pick up a Senate seat, as they had hoped to do, in Kentucky next year.

In Pennsylvania, Democratic organizations showed their strength in Philadelphia and Pittsburgh. A Democrat was elected mayor of Philadelphia by a sweeping vote over a Republican personally endorsed by President Eisenhower. In Allegheny County—Pittsburgh—a Republican district attorney was ousted. Democrats also won unexpected victories in some usually Republican outlying areas, but Republicans retained control of the Legislature, and won an extra Senate seat in a county long a Democratic stronghold. The big Democratic vote in Philadelphia and Pittsburgh sometimes has swung the State in presidential elections.

In New Jersey, Democrats failed to win control of the Legislature, as they had hoped to do. They did, however, make impressive gains in electing State senators from two big counties that usually go Republican—one near New York City and the other near Philadelphia. One of these had not gone Democratic since 1908. The population of these counties is such a large proportion of the State that Democratic politicians, projecting the vote into 1956, foresee New Jersey in the Democratic column. Although the Democrats did gain, loss of the Legislature probably did not increase Governor Robert B. Meyner's chances for second place on next year's national Democratic ticket.

In other places, these things happened: Democrats scored a net gain of 1 in New York mayoralty elections. They captured the city halls of Waterbury and Norwalk in Connecticut, and widely increased their previous margin of victory in New Haven. In Ohio, voters rejected a proposal, backed by the CIO, that unemployment benefits be increased and workers be permitted to receive these payments and benefits under guaranteed-annual-wage contracts as well.

To report significant factors and effects in most of these elections, members of the Board of Editors of *U. S. News & World Report* were on the ground before and after the voting. What they learned follows, State by State:

Vote Trend

INDIANA

INDIANA ELECTION historians could find no record of so heavy a Republican loss in municipal elections, not even during the depression and the heyday of Franklin D. Roosevelt and Governor Paul V. McNutt.

The Democrats were strong in industrial areas. They took the mayor's office in Indianapolis—normally Republican, though usually not by much. They ousted Republican mayors in South Bend, Hammond, Evansville, Muncie, Richmond, Marion, Bloomington and Michigan City. Meanwhile they kept their hold on East Chicago, Kokomo and Terre Haute. Republicans retained control in Fort Wayne, Lafayette and Elkhart.

Democratic candidates were strong, too, in smaller cities and towns. Winchester elected a Democratic mayor for the first time in history, Crawfordsville for the first time in 34 years. A Republican mayor was ousted even in Elwood, a small rural community, usually stanchly Republican, the birthplace of Wendell L. Willkie, the Republican 1940 presidential nominee.

—Wide World

GOVERNOR-ELECT CHANDLER
Will he aim higher?

CIO's active role. In the campaign, CIO leaders moved in and organized vigorously in the industrial areas. They had an issue—the recent strike riot at the Perfect Circle Corporation in New Castle, the sending of troops by Republican Governor George N. Craig, at the request of a Republican mayor.

Labor leaders made the issue felt in Indianapolis, South Bend, Evansville, Gary. Republican officials were denounced as unsympathetic to labor. Even such a highly placed labor leader as Walter P. Reuther, president of the CIO, took a hand in the campaigning.

The results were apparent at once in New Castle. The Republican mayor, Paul F. McCormick, was defeated for re-election by an unusually heavy vote of 4,827 to 3,394.

In the rural areas, the heavy Democratic turnout astonished most leaders. To account for it, there was an inclination to blame farm discontent with the low price of farm products, especially hogs. Candidates, however, had made little or nothing of the farm issue. The issues usually discussed were local questions such as street paving and water bills.

Wealthier farmers, when interviewed, expressed no dissatisfaction with Administration policies, were willing to try flexible price supports for a year or two, even if it meant "a couple of hard years." Among smaller operators, there was some hostility to the Administration program. One small-town businessman who deals daily with farmers says: "I've heard a lot of good Republicans say they're going to vote the other way next year." Another says the situation is "made to order for Democratic exploitation."

How influential the farm issue may have been remains a matter of debate in Indiana. The State Democratic chairman is noncommittal about it. He says:

"I think it may have had some effect. I don't know how much."

Use of Ike's name. Indianapolis Republicans tried to attach the political magic of President Eisenhower's name to local Republican candidates. By radio and otherwise, voters were urged to cast their ballots for "peace, prosperity and progress," to "keep the team together from the White House to the city hall."

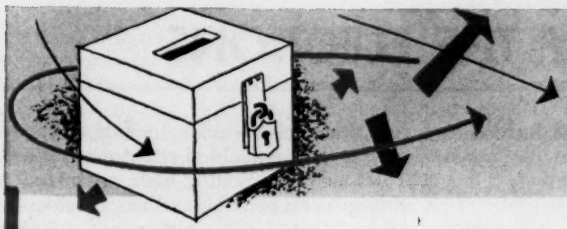
A presidential assistant, Howard Pyle, former Governor of Arizona, campaigned locally. He asked that the city give Mr. Eisenhower a "big bounce" by electing the Republican candidate. In the end, the Republican lost, 58,000 to 74,000, a 16,000-vote margin for the Democrat.

Some Republicans blamed intraparty strife for their losses. Governor Craig and Senator William E. Jenner have been at odds. Neither was active in the local campaigns. Mr. Craig is said to have lost popularity. One political observer remarks that many Democratic candidates "ran chiefly against Craig."

The outlook. As all of this may affect 1956:

Democratic city, town and county organizations have been invigorated. Local patronage, now denied to Republicans will help the Democrats develop and solidify their organizations for next year. These organizations are primed to go.

Nine of Indiana's 11 Congressmen presently are Republicans. Democrats now are taking dead aim at at least two of these seats. The districts involved include South Bend and Indianapolis. Encouraged by the big Democratic vote this year, Democratic leaders are increasingly hopeful of making the city vote big enough next year to carry the two districts. Meanwhile a tough re-election fight is forecast for Senator Homer E. Capehart, Republican.



What 1955 Elections Show

INDIANA. Democrats scored heavily in mayoralty elections, in both big and small cities. Democrats were elected in 72 cities, gain of 39 city halls. Republicans wound up with control in 29. Farm unrest was reflected in small-city vote.

KENTUCKY. A. B. (Happy) Chandler, Democrat, won Governorship in a landslide. In 1952 presidential election, Republicans lost Kentucky by only 700 votes.

NEW JERSEY. Democrats took three State Senate seats away from Republicans, winning populous counties near New York and Philadelphia that usually go Republican. However, Republicans retained easy control of both branches of Legislature.

PENNSYLVANIA. A Democrat, Richardson Dilworth, was elected mayor of Philadelphia, defeating a Republican endorsed by President Eisenhower. Allegheny County —Pittsburgh—unseated a Republican district attorney. Democrats gained in some rural areas usually Republican. Republicans retained control of Legislature, and increased their membership in the State Senate by a single seat.

NEW YORK. Mayoralty elections close to a standoff. Democrats ousted 8 Republican mayors. Republicans ousted 6 Democrats. In one city, a Democratic mayor, running this time as an independent, defeated a candidate of the Democratic organization.

CONNECTICUT. Democrats replaced Republican mayors in Waterbury and Norwalk, won in New Haven by greatly increased majority.

VIRGINIA. A Republican member of the State Senate, Ted Dalton, withstood concerted Democratic efforts to unseat him. In Fairfax County, near Washington, D. C., Republicans won 3 of 7 places on the board of county supervisors, on which they never before had been represented.

President Eisenhower carried Indiana by 335,000 votes in 1952. In the light of this figure, it is difficult for many to comprehend that local experts now call the State "doubtful" for 1956. Yet that is what is happening.

Vote Trend

KENTUCKY

KENTUCKY DEMOCRATS ran up huge voting totals in the State's rich agricultural areas. There, the party had made a blunt, direct attack upon Republican farm policies and upon Secretary of Agriculture Ezra T. Benson in particular.

This, of course, was just one factor in the landslide that swept A. B. (Happy) Chandler back into the office as Governor, defeating the Republican Edwin R. Denney. The other was Mr. Chandler, himself, with his exuberant, folksy showmanship, his no-holds-barred type of campaigning.

Mr. Chandler made a direct pitch for the farm vote. What he had to say at Owenton, a week before the election, was typical:

"Denney is a partner of Benson's. They think alike. Why, with fellows like that in control, the farm income of our people has gone down 31 per cent. Is there anybody so naïve as to think that, if Denney is elected, he wouldn't be supporting Benson next year?"

The result:

Daviess County, which went Republican in last year's Senate contest, voted for Mr. Chandler, almost 2 to 1.

Fayette County, in the heart of the Bluegrass area, gave Mr. Chandler a 5,000-vote margin. It, too, had gone Republican last year.

Franklin County, another fertile area, piled up a 6,200 plurality for Mr. Chandler, the biggest margin it ever gave a Democratic candidate.

The story was much the same throughout agricultural Kentucky.

And, in the city, Louisville, where Republicans are strong and often win, Mr. Chandler was strong, too, winning by 67,594 to 63,739.

Democrats optimistic. Putting it all together, Kentucky political observers now think it virtually a sure thing that the

[continued]

REAL MEANING OF THE ELECTIONS

State will go Democratic next year. It usually does in national elections, although, in 1952, Adlai E. Stevenson took Kentucky by a bare 700 votes. Democratic leaders now expect a much more convincing majority in 1956.

A Senate seat comes up for election next year, too, and the experts now rate it safely Democratic, where previously the Republicans had been hopeful of taking it. The seat now is held by Senator Earle C. Clements, acting Democratic Floor Leader, and old foe of Mr. Chandler. They have been feuding for years.

This enmity reached a climax in last summer's vituperative Democratic primary. Mr. Clements denounced Mr. Chandler and vice versa. The row was patched up before the general election and Mr. Clements plugged for Mr. Chandler. Kentuckians wonder, however, whether the Governor-elect now will back Mr. Clements for re-election, or pick his own man.

Mr. Chandler is taking over the organization until recently headed by Senator Clements and Governor Lawrence W. Wetherby. If Mr. Clements should have to battle it out with this organization in a primary campaign, the odds, political observers say, might be heavily against him.

Also in the category of old rows temporarily patched up is one between Mr. Chandler and Senator Alben W. Barkley, the former Vice President. The latter scathingly denounced Mr. Chandler in the recent primary, but for the sake of the party threw his support to him in the general election, in fact even campaigned with him from the same platform.

Where "Happy" stands. A question remains: What will Mr. Chandler do next? According to close friends, he nurtures presidential or vice-presidential ambitions. For one thing, he will go to the 1956 Democratic Convention in control of the Kentucky delegation, perhaps as a "favorite son" candidate and in a position to maneuver and bargain.

Mr. Chandler, former Senator and big-league-baseball commissioner, is a conservative who has been aligned in the past with the Southern faction of the party. He opposed and, supposedly, still opposes Adlai E. Stevenson and such "liberal" Democrats as Governor Averell Harriman, of New York, and Senator Estes Kefauver, of Tennessee. His only personal hope at the Convention, politicians think, would be a deadlock bringing a "dark horse" into the picture.

In any event, Mr. Chandler will be present at the Convention, ready to enliven it in his own unusual fashion, a man who feels he is on the way again after 10 years out of office.

Vote Trend

PENNSYLVANIA

DEMOCRATS GAVE Philadelphia's Republican Party its most crushing defeat in 75 years.

A Democratic candidate carried Pittsburgh and Allegheny County with ease.

The point for 1956 is that in some presidential elections a big Democratic vote in these populous areas has outweighed Republican ballots in rural counties to throw the election to Democrats.

–United Press

MAYOR-ELECT DILWORTH
. . . swept over the Republican

Outside these cities:

The Democrats won 14 of 28 mayoralty contests, handing Republicans a net loss of 5.

Democratic candidates won also in Bucks County, just north of Philadelphia, where Republicans have triumphed for 62 years. The county has seen a big influx of industrial workers, drawn by the new U. S. Steel plant.

As an offset, a new, insurgent Republican organization won in Luzerne County, the Wilkes-Barre anthracite area that usually goes Democratic.

The Luzerne victory gave the Republicans a stronger hold on the State Senate, and the other house of the Legislature went Republican, too.

Riding high. The result of the Pennsylvania voting is that Republicans are counting their troubles, looking with dismay at their enfeebled city organizations. The Democrats, riding high, organization strength at a peak, are talking confidently of presidential and congressional victories in 1956.

In Philadelphia, Richardson Dilworth, the Democratic candidate for mayor, won by 132,000 votes. He defeated W. Thacher Longstreth, a youthful newcomer to politics, backed by a patched-up Republican organization, with which Mr. Longstreth sometimes quarreled.

President Eisenhower had endorsed Mr. Longstreth personally during a visit to Philadelphia last summer. National Republican leaders, including Leonard Hall, Chairman of the Republican National Committee, campaigned for him.

Mr. Longstreth was up against a "big league" organization that came in as a reform movement in 1951, with Joseph S. Clark, Jr., as mayor. In that election and this, thousands of Republicans weary of Republican city-hall scandals voted Democratic.

The Dilworth appeal to Republicans is obvious from the registration figures. Republicans predominate. In 1953, there were a million more registered Republicans than Democrats. Today the margin has declined to 600,000, many of whom obviously voted for Mr. Dilworth.

The new organization also works hard to line up the votes of important minority groups. The Negro vote increases all the time. One out of 5 Philadelphians is a Negro. Reliable estimates, based on the voting in Negro wards, is that the Negroes went to Mr. Dilworth by about 4 to 1. The Dilworth-Clark organization has stressed desegregation.

The Jewish vote, responsive to social legislation and social reform, has been cultivated. Labor voted for Mr. Dilworth, but was on the fence for a time. Republicans do not feel they have lost labor support for good. Growth of industry in Philadelphia has brought in thousands of workers. Meanwhile, more prosperous Philadelphians have been moving to the suburbs, reducing conservative voting strength in the city.

How Republicans fare. The Republican organization is not only broken in Philadelphia, but is split State-wide. Republican leaders agree on only one thing. That is support of President Eisenhower for re-election. If he declines to run, they face, perhaps, a bruising battle in the presidential primary. Democratic leaders are solidly united behind Adlai E. Stevenson. Many believe he can count the State's big bloc of Convention votes in the bag.

Political observers see more Republican troubles coming in next year's Senate contest. Republican Senator James H. Duff comes up for re-election. He has been feuding for years with the Pennsylvania Manufacturers Association, a potent force among Pennsylvania Republicans. Leaders of this faction have pointedly declined to say they would support Mr. Duff.

Mayor Clark is expected to seek the Democratic nomination and run against Mr. Duff, with all the demonstrated power of the Philadelphia organization at his back. It is considered to mean that if Mr. Duff is to be re-elected, he has two battles on his hands, first with the opposing Republican faction and later with Mayor Clark.

As for Pennsylvania's 32 electoral votes: Democratic leaders are counting, with increasing confidence, on the Philadelphia organization to deliver enough votes to insure a State-wide victory.

Vote Trend

NEW JERSEY

NEW JERSEY REPUBLICANS easily beat back a determined Democratic effort to take control of the State Legislature. The Republican Party emerged from the election with a 2-to-1 superiority in both branches.

In the voting, however, the Democrats gained 3 State Senate seats, and in doing so established a voting pattern that experts on the State think holds much comfort for Democrats in the future. Republicans were beaten in the heavily populated counties near New York City and Philadelphia. In other counties, although they lost, the Democrats made substantial gains by comparison with previous similar elections, and in some places came very close.

Four metropolitan areas in particular attracted attention.

In Essex County, where Newark and a cluster of cities are situated, a Democratic State Senator was elected for the first time in 47 years. Republicans elected their entire House slate.

In Camden County, a heavily industrial area across the river from Philadelphia, another Republican senator was ousted, but by a very close vote.

Alert organization. In Hudson County, home of Jersey City, Bayonne and other water-front cities, the Democrats regularly win. Last week they put on a repeat performance. In doing so, the rejuvenated organization once bossed by Mayor Frank Hague showed itself alert and efficient.

In Paterson, the State's third largest municipality, the Democrats elected a mayor.

The third gain of a State Senate seat by the Democrats came in Salem County, where the dean of the Senate, John Summerill, was defeated.

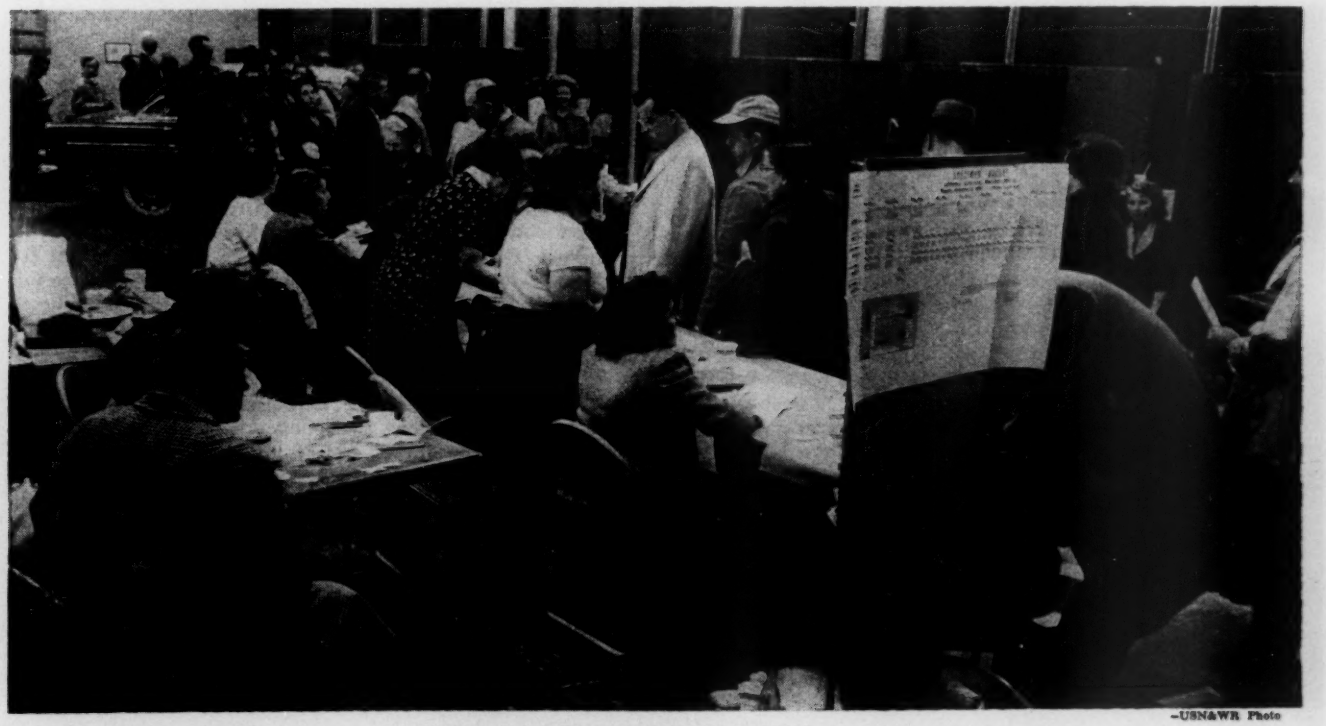
The State has a Democratic Governor, Robert B. Meyner, who has been mentioned as a presidential or vice-presidential possibility. He has felt himself balked by the heavily Republican Legislature. Governor Meyner stumped the State vigorously.

Republican leaders are ready to concede that they were up against a well-organized Democratic Party. All over the State, the Democrats have been quick to recruit a large influx of industrial workers. On Election Day they were prepared to the point of providing baby sitters for young mothers.

Party repairs. With 1956 in view, the Republicans now are in process of patching up their organization. It was torn a year ago by the unsuccessful opposition of "right wing" Republicans to the election of the Republican nominee to the U. S. Senate, Clifford P. Case, and further split by this year's primary elections.

Last week's elections brought the factions closer together, however. Senator Case pitched in, campaigned for Republican candidates up and down the State, became a rallying point. Some think the Senator, a "liberal" Republican, now may be in a position to take over as leader of the organization.

Thus, 1956 may see in New Jersey a conflict between two well-led organizations. The Republican problem, however,



—USN&WR Photo

THEY VOTED IN LOCAL ELECTIONS . . .
. . . while the national party leaders watched closely

remains to re-establish the party in metropolitan areas, where, on the basis of this year's voting, there might be enough Democratic ballots to carry the State.

Vote Trend

NEW YORK

IN 48 NEW YORK mayoralty elections, outside New York City, both Republicans and Democrats were hard put to find much encouragement. It all added up to a net gain of a single city hall for Democrats. Before the election, the score was 27 Republican mayors, 18 Democrats and 3 nonpartisans. The election made it: 25 Republicans, 19 Democrats, 3 nonpartisans, and 1 independent. The independent is a former Democratic mayor who, this year, beat a Democratic candidate.

Democrats were especially pleased at winning in Troy and Schenectady, usually Republican strongholds. But their margin in those cities was so thin that Republicans are demanding a recount.

Vote Trend

ELSEWHERE

IN CONNECTICUT, the problems of relief and reconstruction raised by the disastrous floods in August and October were foremost, displacing other local issues as campaign topics. Few national issues were discussed.

Democrats turned out Republican mayors in Waterbury and Norwalk. They re-elected a mayor in New Haven by a record 20,000 majority. Two years ago,

In Key Cities—

EDITORS SIZE UP ELECTION RESULTS

PENNSYLVANIA

› PHILADELPHIA INQUIRER: Except, perhaps, for the extent of the Democratic sweep, [the] elections in Philadelphia contained few surprises. Richardson Dilworth had been expected to win the Mayoralty and he did so in handsome fashion. . . .

In contrast with the breakdown of the Republican machine, Dilworth had the benefit of well-greased, fast-running operation in the Democratic Organization. . . .

Dilworth hastened to say that the vote here reflects no trend for the 1956 presidential elections. At the same time, only an extremely short-sighted Republican leader could be undisturbed by the Democratic swing in Philadelphia. . . .

› PHILADELPHIA DAILY NEWS: Does it all add up to a big straw in the wind for the 1956 presidential election? . . . We're not quite so sure. Local issues were important, certainly here in Philadelphia. We're sure, though, that if the results had been the other way the GOP would have said the vote guaranteed they'd stay in the White House in 1956. . . .

NEW JERSEY

› NEWARK EVENING NEWS: A Republican resurgence in Essex County . . . swept into office every GOP candidate except one and thereby broke Gov. [Robert] Meyner's statewide drive to install a Democratic Assembly at Trenton. . . .

Among the things Essex voters did not want were state sales and income taxes. Here Democratic Assembly candidates were victims of Americans for Democratic Action, an organization which has placed its members high in the Meyner administration and which blunderingly endorsed a state income tax in the waning days of the campaign. This ADA endorsement fell with fatal impact. . . .

The outcome, perhaps fairly, could be said to show an underlying satisfaction with the Eisenhower Administration and the general prosperity. . . .

Gov. Meyner has discovered, as others up to and including President Eisenhower have discovered, that where their names are missing from the ballot their popularity at the polls is nontransferable. . . .

› TRENTON TIMES: There is no mystery concerning the reasons for Democratic success in Mercer [County]. The principal factor is thorough, efficient, careful organization.

› JERSEY CITY JOURNAL: Hudson County is New Jersey's "Gibraltar of the Democratic Party." This was an off-year election. The only issue on which the organization led by John V. Kenny, of Jersey City, could concentrate was a poorly drawn $100,000,000 water-resources referendum.

Defeating the referendum in Hudson was a light workout for the Kenny organization. . . . All Democratic candidates won handily. The workout served notice on the State that the Kenny organization is in good shape for the more-important elections to come.

› CAMDEN COURIER-POST: For the Republicans of Camden County, this election represents another lost opportunity . . .

The Democrats have an efficient organization in the city and county that capitalizes on all its opportunities. What the Republicans have is not worthy of being called an organization any more, especially in the city.

Torn by disunity, disharmony, and a general attitude of "What's in it for me?" the remnants of a once-powerful political machine now can only be entitled the Republican disorganization. . . .

NEW YORK

› NEW YORK HERALD TRIBUNE: As to the meaning of Tuesday's elections, it all depends on who is doing the talking. . . .

When it comes to matching mayors won and lost over the country, the partisan prognosticators will have to devise a system of measurement complex enough to take into account all the thousands of local controversies. And in our opinion the thing cannot be done. Anybody who tries to find a common denominator in the mixture of off-year elections is indulging in wishful thinking. . . .

› NEW YORK TIMES: In the country as a whole the elections Tuesday were so scattered and so many local is-

the same Democrat was elected by 3,500. Democratic leaders added these developments to a recent series of victories in small-town elections to find a good omen for 1956. Republicans meanwhile continued their tight hold on five towns.

National Republican leaders took gratified notice of a county election in Virginia. Fairfax County, near Washington, D. C., and the home of numerous federal workers placed three Republicans on the county board of supervisors. No Republican previously had been elected to the board.

Democrats tried hard to unseat one of the few Republicans in the Virginia State Senate, Ted Dalton, but failed. Mr. Dalton looms as a possible Republican candidate for Governor next year.

A Republican outpost in the South was blasted away. Republican Mayor Pratt Remmel of Little Rock, Ark., was defeated by Democrat Woodrow Wilson Mann, ending a four-year reign in what the Republicans called a Southern Republican stronghold.

A Democratic mayor of 12 years' standing, Earl J. Glade of Salt Lake City, Utah, was swept out of office by Republican Adiel F. Stewart in a nonpartisan election.

In Massachusetts, Democratic mayors were re-elected in Springfield and Northampton, while in Brockton a Republican unseated a Democratic incumbent. Other Massachusetts mayoralty contests were on a nonpartisan basis.

For a roundup of elections on bond issues for public works, see page 37. For events that could decide the Republican nomination, see page 75.

sues were involved that it would be dangerous to draw too definitive political conclusions on a national scale. . . .

What cannot be denied is that the Republicans have been put on the defensive by the election results, the effect of which may well be to increase the pressure on President Eisenhower to run again.

CONNECTICUT

› WATERBURY AMERICAN: . . . It must be a bit hard for a detached onlooker to detect any impressive evidence warranting the professed conclusion of the Democratic state chairman. . . . His comment was: "There has been a Democratic trend that will continue to grow and will result in a Democratic victory in the state and national elections of 1956."

Perhaps the foremost items to support that dictum might be the elections in Waterbury and New Haven. In both cities the Democrats won. . . .

› WATERBURY REPUBLICAN: Edward D. Bergin is Waterbury's next mayor. . . . The result was not unexpected, for confidence had been swelling in the Democratic ranks for some time. . . . The party was fully united again, and careful organization work had prepared to get out every last Democratic vote. These were the factors which apparently decided the result. . . .

INDIANA

› TERRE HAUTE TRIBUNE AND STAR: The Democratic sweep across the country was nothing less than breathtaking. Indianapolis gets a Democrat mayor, 15 of the larger cities of the state, many of them heretofore rock-ribbed Republican cities, changed from the Republican column to the Democrat column, and Indiana Democrats took a commanding position looking towards 1956.

› INDIANAPOLIS TIMES: . . . As for the "significance" of this election in national politics, we frankly don't believe there was any. It was in no sense a referendum on the Eisenhower Administration or a preview of the 1956 national elections. In fact, the attempt of some amateur political strategists to make that of it actually hurt the Republican candidate [for mayor] and almost certainly increased the majority of his Democratic opponent.

› CLIFFORD B. WARD, EDITOR, FORT WAYNE NEWS-SENTINEL: In Fort Wayne, Indiana's second largest city, a highly industrialized community, Republicans elected Robert E. Meyers as mayor by a 2-to-1 vote that broke all known records here for winning pluralities. . . . It can be speculated that Republicans over the country may be suffering from the bipartisan fallacy that it is Ike or ruin, a fallacy which has tended to make the Republican Party, as such, an unholy thing. In this community, Republicans have never accepted the fallacy. . . .

› JOHN HILLMAN, EDITOR, EVANSVILLE COURIER: . . . The campaign here was entirely on local issues and personalities, so I can see no national significance except the advantage that control of city hall will give Democrats in the state and national elections of 1956. . . . In smaller communities, dissatisfaction over farm prices may have been a secondary factor.

› DOW RICHARDSON, EDITOR, KOKOMO TRIBUNE: Democratic gains here are attributed partly to local issues . . . efficient Democratic precinct organization, and partly to growing labor strength.

The CIO and AFL got many voters to the polls, indicating that the political views of labor spokesmen are making an impression on rank-and-file workers. . . . Kokomo, once a Republican stronghold, is expanding industrially, so that today Republicans are outpolled. . . .

KENTUCKY

› LOUISVILLE COURIER-JOURNAL: It is hard to ignore the fact that the elections—in the state [and] across the country—fell into a pattern . . . a deep economic unrest among American voters, and a definite and continuing trend toward the Democratic Party. . . .

Tuesday's elections . . . hint anew at the troubles that face the Republicans next year if they are deprived of the vote-getting services of their leader [President Eisenhower]. . . .

The Kentucky election might well be called a taxpayers' revolt. Happy Chandler was given a record majority [for Governor] because he promised economy and no new taxes.

› LEXINGTON HERALD: The results . . . show that insofar as the Democrats of Kentucky are concerned there was no soreness over the August primary.

› PADUCAH SUN-DEMOCRAT: It is not likely that Chandler will make much of a splash nationally in '56. It is by no means definite that he would be interested in a vice-presidential nomination even if anybody outside of Kentucky took him seriously as a prospect.

WHERE SEGREGATION IS LEGAL

Mixed-Marriage Ban Is About All That Remains

Negroes, in recent years, have made many gains against segregation. But 28 States still forbid marriage between a white person and a Negro.

Now this barrier between the races is being challenged. And many Southerners are wondering: Will it be next to go?

In nearly all other fields, laws that separate the races have been ruled unconstitutional. Separate public parks and swimming pools are the latest to be outlawed.

Private relations, however, are proving hard to regulate. Real segregation remains in fields that no law can touch.

Almost all legal barriers that separate races in this country now are knocked down—so far, at least, as it has been possible to enforce the Supreme Court's decisions.

Negroes today, under the law as interpreted by the Supreme Court, are entitled to the same privileges as whites in nearly all public facilities. Just last week the Supreme Court extended Negro rights by ruling that Negroes cannot legally be barred from public swimming pools, parks and golf courses.

One barrier between the races does remain, however. That is the ban against interracial marriages that still applies in 28 States out of the 48.

As of now, Negroes are not attacking this law. Its validity, though, is being challenged in a Supreme Court case brought by a man of Chinese descent. And many Southerners are expressing fear that this barrier, too, may soon fall.

Gains by Negroes have been numerous in the last few years. Negroes have won their way into many places from which they were once barred. They have scored victories in such fields as transportation, housing, voting and jury service. They have seen the end of segregation in the armed services. Many communities have forbidden discrimination in employment.

Every year more hotels and restaurants open their doors to Negroes. "Jim Crow" sections in theaters are disappearing in most of the country.

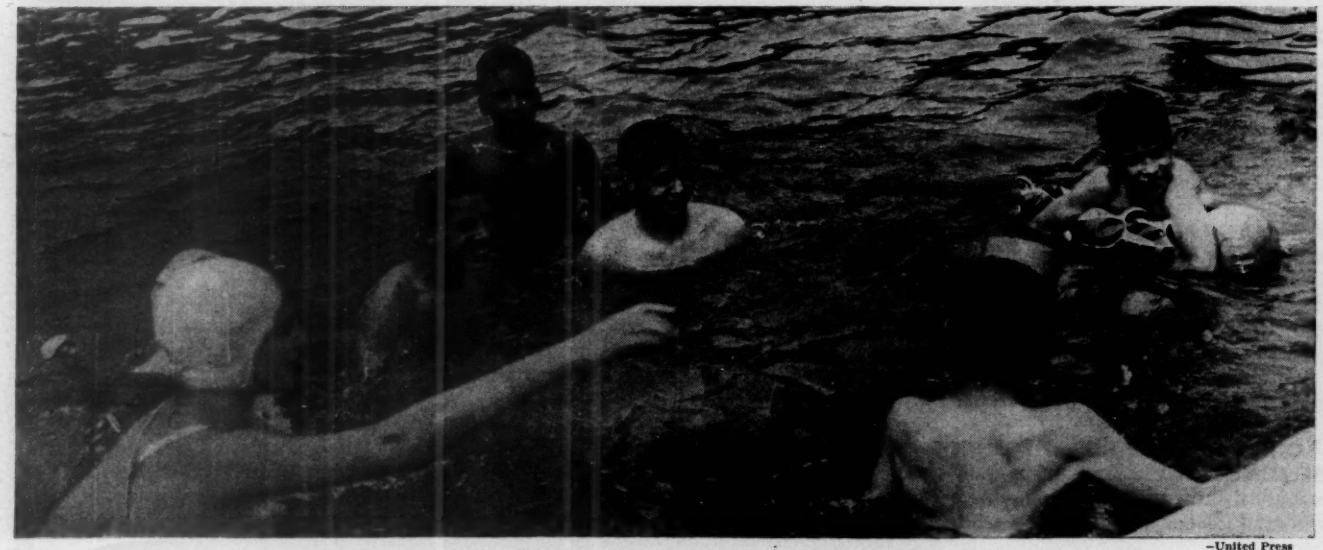
Separate schools for Negroes were ruled unconstitutional last year, and now separate parks and swimming pools are out, too.

All of this raises a question, in the minds of many people, as to whether whites and Negroes soon will mingle socially—and whether this, eventually, will lead to legal and social acceptance of mixed marriages.

Changes that have occurred in the status of Negroes so far have been chiefly legal, not social. What the Negro has won is a judicial declaration of his legal right to share with whites in the use of public facilities financed by tax money. The key change is this:

The old rule, applied by the courts for many years, was that Negroes could be kept apart from whites in public facilities so long as they were provided with equal

(Continued on page 30)



—United Press

IN A PUBLIC SWIMMING POOL: NO SEGREGATION

Private clubs still can make their own membership rules

BANK EDITORS

We *mean* editors—bank editors. Messrs. Bassett Roberts and Norris Johnson, Vice Presidents, and Alan Temple, Executive Vice President *are* bankers (and top-flight economists), but they are also editors. One of their important responsibilities is publishing First National City's well-known Monthly Letter on business and economic conditions.

The kind of informed judgment that men like Messrs. Temple, Roberts and Johnson possess is, of course, actively employed by our Investment Advisory Department. This department provides continuing investment management and custodianship on a reasonable annual cost basis. For an interesting word-and-picture story of this service ask for a copy of "HOW TO GET THE MOST OUT OF YOUR INVESTMENTS." There is no obligation, of course.

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WHERE BARRIERS HAVE FALLEN . . .

On a public golf links (above), a Negro foursome and a white golfer wait their turns to tee off. In a public-school classroom (below), children of different races play together.

—Wide World, USN&WR

facilities for their own race. This is the doctrine that has been called "separate but equal."

The new rule, as it has been laid down by the Supreme Court in recent decisions, is that Negroes must be permitted to share the same public facilities used by whites.

Court rulings, even under this new doctrine, do not go into the question of social relationships between the two races. Nor do they dictate what must be done by private individuals or organizations. Segregation, as a result, still continues in many fields that cannot be reached by law.

In schools, for example, the court has decreed that those operated by public tax funds must be open to both races. But private schools, which use no tax money, can be segregated—and most of them still are.

There is no law to prevent any group of white parents from organizing their own private school, financed by themselves or from other nontax funds, and barring Negro youngsters from that school.

This gives rise to the plan now being widely discussed in some Southern States of abandoning public schools and setting up a system of private schools to avoid racial mixing in the classroom. The problem in starting such a system appears to be financial, not legal.

Legal problems arise, however, when attempts are made to use public funds for private education. Virginia discovered this last week when the State Supreme Court ruled that State money cannot be used to pay tuition of pupils in private schools. The block there, though, was in the State Constitution, not the federal. Whether federal courts would approve such a system is uncertain.

In public parks and swimming pools, a similar loophole of private operation is being sought. There is no legal bar against segregation in privately owned parks or pools. Officials in Georgia and Virginia already are talking of abandoning their public park systems or selling them to private organizations that will operate them on a segregated basis.

Private clubs, also, can legally limit their membership to one race. Swimming clubs, it is being suggested, now may grow up in communities which object to Negroes in their public pools.

Housing provides another example of how legal victories do not always result in unrestricted racial mixing.

Racial zoning laws were ruled invalid by the Supreme Court in 1917. Then, for many years, segregation in housing was accomplished by agreements between property owners that they would not sell or rent their property to Negroes.

Those agreements, known as "restrictive covenants," lost much of their value

when the Supreme Court, in 1948, ruled they could not be enforced in courts.

This ruling, however, does not mean that such agreements cannot be made. There is no law to prevent this. And Negroes are finding, in fact, that such agreements still are being widely used.

Negroes also are discovering, in many cities, that financial credit is hard to obtain when a Negro seeks to buy a home in a section populated by whites. To overcome this difficulty, some groups of Negroes now are reported to be uniting to provide their own financing. With this aid, one Negro—known as a "block buster"—is enabled to make the first inroad into an all-white area. With a foothold obtained, other Negroes follow.

In public housing, Negroes also have made only limited headway. The Federal Public Housing Authority has adopted the principle that Negroes should receive a proportionate share of new housing units financed by federal funds. But this does not necessarily mean that Negroes are admitted to the same apartment houses as whites.

Many Negroes now list housing as their chief remaining racial problem.

In transportation, Negroes' rights are still to be clearly defined by the Supreme Court. A series of decisions by the Court and of rulings by the Interstate Commerce Commission has resulted in elimination of segregation on most trains, planes and buses in interstate travel.

Local and intrastate travel, however, remains segregated in several Southern States. And, even on interstate vehicles, separation of races is sometimes reported.

Now a suit has been taken to the U. S. Supreme Court that may end all segregation in transportation. This suit originated in Columbia, S. C., where a Negro challenged the rule that Negroes must sit in separate sections of city buses. The Fourth Circuit Court of Appeals upheld her challenge.

If the Supreme Court upholds this decision, then Negroes will sit beside whites in public vehicles for the first time in many areas.

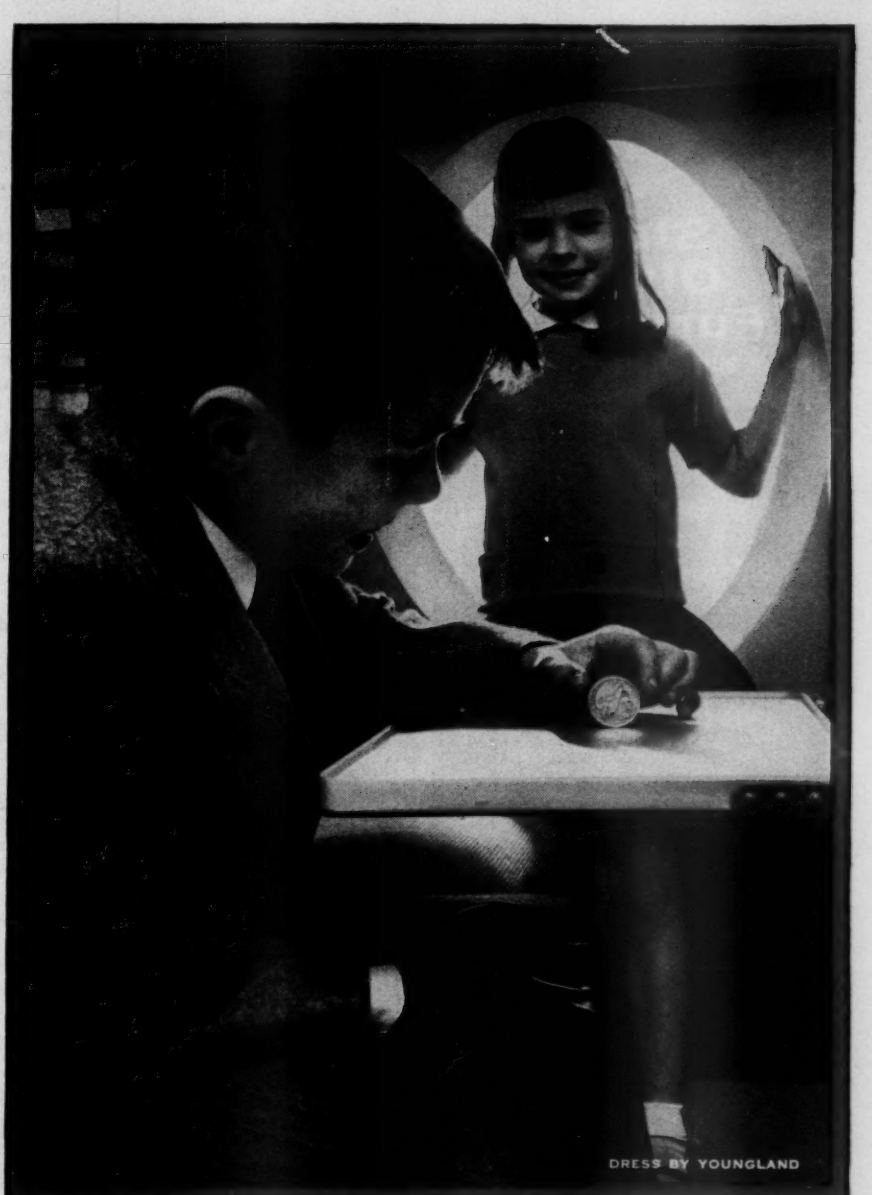
Negroes' voting rights have been proclaimed repeatedly in court decisions. All-white primary elections have been outlawed. Poll-tax payments as a prerequisite for voting are now required in only five States. Negro voting has increased.

Yet many Negroes still are prevented or dissuaded from voting by methods that laws and courts are finding it hard to stop.

Also hard to reach by laws or judicial rulings are relations between the races in areas where much must be left to individual discretion.

This is being demonstrated in employ-

(Continued on page 32)



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[*continued*]

WHERE SEGREGATION IS LEGAL

ment. Fifteen States and many cities have passed various forms of "fair employment practice" codes that forbid discrimination against Negroes in hiring of workers. Some of those codes have no legal teeth, however, and strict enforcement is being found difficult in many areas.

Lawmakers and judges are finding that it is not easy to tell an employer whom he shall hire.

Churches have not yet been reached by any court order against segregation. Most churches still maintain segregation—and here again there is apparently no law that compels them to integrate.

About half of the States now prohibit public hotels, restaurants or theaters from refusing to accommodate Negroes. But such places are still segregated by race in 13 Southern States—and in some of these States the segregation is compelled by law.

Even in Northern areas, Negroes still find themselves kept out of many hotels, restaurants and resorts. Space, they are often told, is "not available." Reservations, when obtained, are often not honored.

Private clubs are set up, in many cases, to restrict the facilities of resorts or places of entertainment to white members. Or "references" may be required for reservations for rooms or tables.

All these means of keeping the races apart have been practiced largely on an individual basis or by agreements between a few individuals.

Now, however, opposition to racial mingling is being organized on a larger scale in many parts of the South. There are such organizations as "Citizens Councils" in Mississippi, "The Southern Gentlemen" in Louisiana, "White America, Inc." in Arkansas, "Florida States Rights, Inc.," the "Patriots of North Carolina, Inc.," and the Virginia "Defenders of State Sovereignty and Individual Liberties."

The aim of these groups is to discourage Negroes from further advances toward racial mixing, induce them to accept "voluntary segregation." Economic and political pressures are being reported.

What Negroes are finding, as they gain ground by Supreme Court rulings, is that opposition of many white Southerners is increasing with each step which appears to encourage social mingling.

What many Southerners say they fear is this: If whites and Negroes go to school together, swim in the same pools and eat at the same tables, the few remaining barriers between races may fall. Many are asking: Will the legal bars against mixed marriages go down next?

For views of two Southern Senators and a Negro leader regarding the segregation problem, see page 86.

—Black Star

NEGROES ATTEND SUNDAY SERVICES
Few churches have mixed congregations

The Old Grand-Dad Classic Decanter costs no more than the standard bottle. It contains the same amount of the same rare bonded bourbon.

TO BOURBON FANCIERS you can make no finer gift than rare Old Grand-Dad, in the Classic Decanter. You give the one whiskey they would themselves select, in the most beautiful of all decanters.

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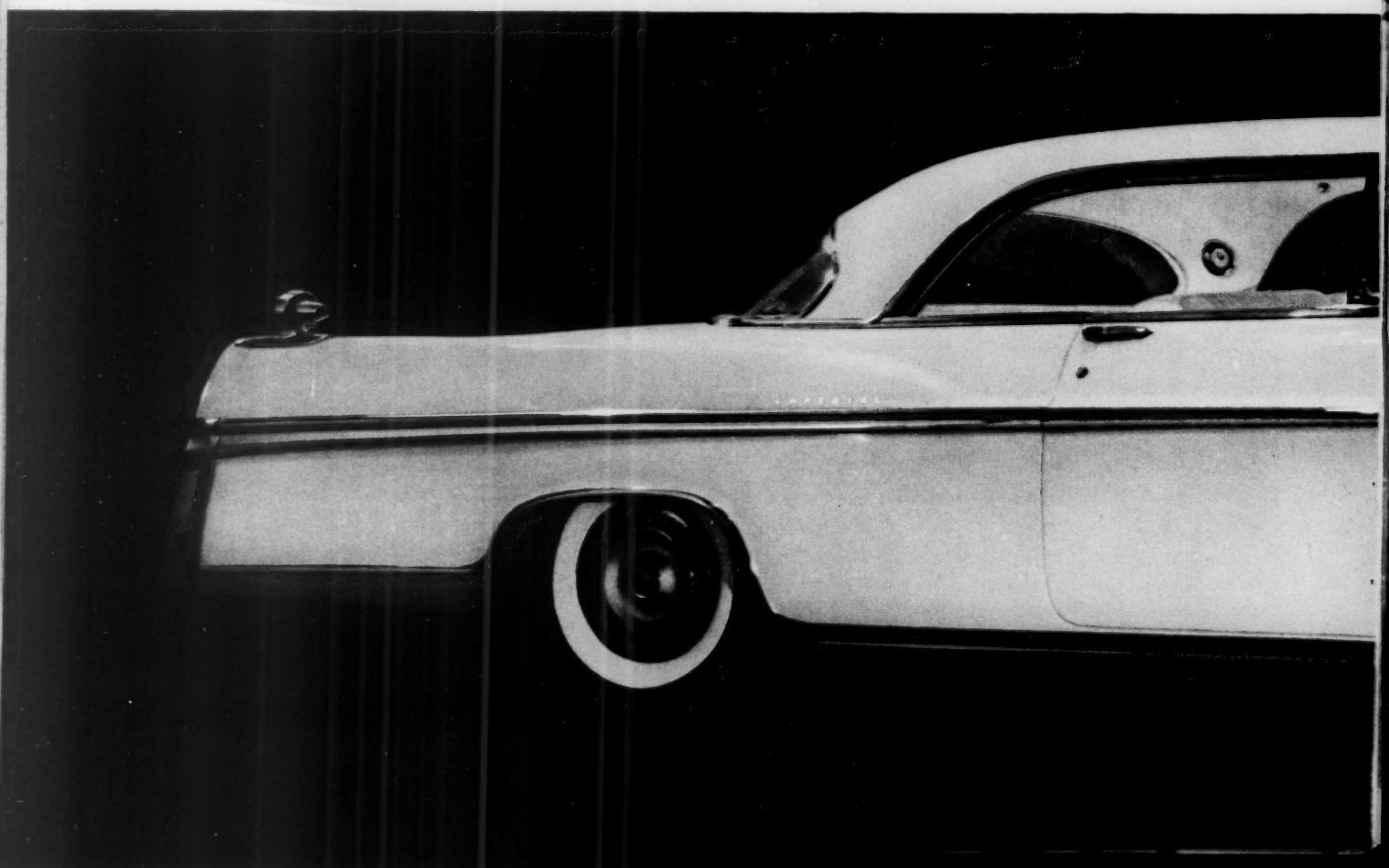
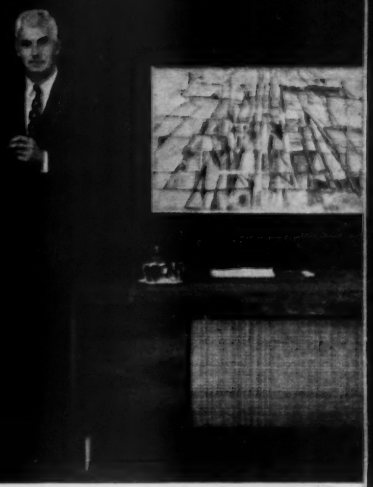
Within its spirited beauty you'll discover mastery of the highway unequalled anywhere . . . a mighty Imperial V-8





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FOR 1956

engine, most powerful type on the highway . . . an exclusive, superlatively smooth automatic transmission, controlled by a button panel . . . an entirely new braking system that practically eliminates braking effort on your part . . . and advanced power steering that gives you its power-assist 100 per cent of the time! The Imperial is designed for you who can afford the finest and refuse to accept less. It comes as a refreshing new experience in the field of highest quality cars.

The new look of leadership is yours in the Imperial. Your Chrysler-Imperial dealer invites you to inspect it now.

Imperial for 1956 — *finest expression of The Forward Look*

Why does this empty glove promise you more work per typist?

Two ounces is the weight of this empty glove.

It takes less weight than this for your secretary to depress one key of the new Royal Electric. It takes only three ounces for her to press down the carriage-return key.

In fact, it's 13 times easier for her to do these everyday typing operations on a new Royal Electric than on a non-electric typewriter. Think of the energy she saves! Think of the extra quota of work she can do!

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On Local Issues—

VOTERS CAUTIOUS ON SPENDING

Many Bond Plans Turned Down . . . Union Setback in Ohio

Voters across the country are taking a new, cautious attitude toward big spending plans of State and local governments.

On November 8, less than a third of proposed outlays were approved. In past voting, nearly all projects had been O.K.'d.

Among other issues: Ohio turned down union proposals for higher jobless pay. Kentucky gave the vote to 18-year-olds.

What voters did on November 8 elections—clearly indicating a new mood—is this:

In widely scattered areas, they showed a tendency to be conservative about approving bond issues to finance larger spending. Nearly 1 billion dollars' worth of bond issues in 10 States from coast to coast were voted down. Less than one half of a billion dollars in bonds received approval.

Special tax levies, even some to support school programs, proved highly unpopular and were voted down in many places. To voters, there seemed to be no urgent need for such things as off-street parking, juvenile detention homes, courthouses, public office buildings, higher official salaries.

In Ohio, by a margin of nearly 2 to 1, voters rejected a proposal to increase unemployment-insurance benefits and to provide these benefits for unemployed workers also receiving so-called "supplemental compensation" from their employers. This vote was a blow to the idea of giving both private and public payments to jobless workers, as called for in "annual wage" plans.

Big projects affected. Voters in general showed themselves to be in a cautious mood when deciding issues that called for using large sums of money.

The result is that a good deal less money is going to be available for public works in the period ahead than many people had been counting on. Unless the Federal Government sharply increases its own spending, this fact will be noticeable in some lines of business as projects now under way are completed.

A highly significant reaction against spending occurred in New York state. There, voters killed a proposal to issue

(Continued on page 38)

The Vote on Bond Issues: State by State

CALIFORNIA—San Francisco approved $61 million for power plants, parks; rejected $24 million for courthouse, parking projects. San Mateo, Petaluma, Campbell passed a total of $5.2 million for schools; Salinas vetoed a $1.6-million school.

COLORADO—Jefferson County granted $7.7 million for schools; Boulder, $1.1 million for a sewage plant.

MICHIGAN—Lansing rejected a $2.7-million parking plan; Warren township, near Mount Clemens, vetoed a $2.5-million school project.

NEBRASKA—Kearney rejected $2.2 million in school proposals. Columbus O.K.'d a $1.5-million high school.

NEW JERSEY—A $100-million State water project failed by a wide margin.

NEW YORK—Rejected: $750 million in highway bonds; a plan to spend $50 million on public housing for middle-income people. Approved: A 36 per cent rise—to $34 million a year—in State subsidy for public housing. Mount Vernon knocked out an $8.5-million city improvement plan.

OHIO—Voters granted $150 million for State institutions. Cleveland approved $8 million for port improvements; Toledo, $2.9 million for its port; Akron, $20 million for an expressway. Elsewhere, voters passed $24.4 million for schools and highway projects; turned down $13.3 million asked for slum clearance, an airport, a juvenile center, various other programs.

PENNSYLVANIA—Philadelphia allowed $42.5 million for city improvements.

TEXAS—Nine cities approved $74.8 million for a joint water project on the Canadian River. Corsicana approved $1.2 million in improvements, rejected a $60,000 park site. Lubbock granted $18.4 million for city improvements.

VIRGINIA—Fairfax County approved $22 million for schools, $3 million for a hospital; defeated a $30-million water project. Lynchburg O.K.'d $5 million for sewer, water facilities. In other areas, voters passed $4.7 million for schools, water projects; turned down $5.2 million for sewers, streets, office buildings, etc.

Based on an Associated Press survey of local spending programs.

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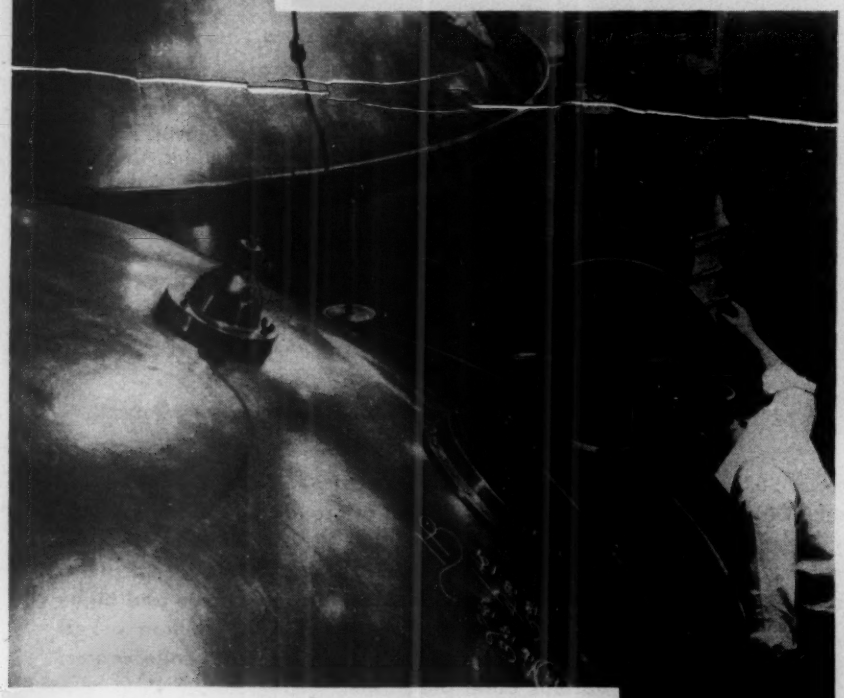

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750 million dollars' worth of bonds to finance highway construction. The bond proposal also would have raised the gasoline tax to 6 cents a gallon from the present 4 cents.

The gas-tax and highway-bond measure attracted much more interest among New York voters than any of 10 other special proposals on the same ballot. A total of 2.5 million persons voted, with nearly half a million more votes on this proposition than on any other—and 60 per cent of those voting said "No."

A new trend of thinking about taxes and spending appeared around the State capitol at Albany as a result of this vote. An adviser high in the Democratic administration of Governor Averell Harriman freely admitted that the result was a "lesson." He implied that the 1956 State budget, now in preparation, may be considerably revised in the direction of economy.

Desire for economy was clearly demonstrated in many other States and communities. In the recent past, voters have been approving 85 to 90 per cent of the spending plans laid before them at the polls. This time, only about one third of the proposed outlay got their approval.

Kentuckians did not stop at turning down new spending. They voted themselves a cut in taxes—total exemption of all household goods. The exemption prevents any division of government—cities, counties, school districts as well as the State—from taxing furnishings.

Ohio raised the tax on cigarettes 1 cent a package—up from 2 cents to 3 cents. This idea found favor as the way to pay off a 150-million-dollar bond issue for expanding and improving State mental hospitals, prisons and universities. The bonds also were approved.

Some voters willing. Economic-development projects found willing taxpayers in some places.

Toledo and Cleveland, Ohio, are planning ahead to become bigger inland seaports, want to be ready for business when the St. Lawrence Seaway brings ocean shipping to Lake Erie. Cleveland voted 8 million dollars for harbor development and Toledo approved a special tax to finance 2.9 million dollars' worth of port expansion over the next five years.

Industrial expansion in the future was a factor also in prompting San Francisco voters to approve by more than 2 to 1 a 54-million-dollar bond issue to build two more power plants. They are designed to assure the San Francisco-Oakland area of a surplus of electricity for years to come.

A rare pattern of partnership among towns turned up in West Texas.

Nine towns in the dusty, arid Texas Panhandle voted more than 10 to 1 for bonds to dam the Canadian River

and pipe the water to the towns, where drought has been so severe at times that water has been rationed. The project put together by these nine communities is called the Canadian River Municipal Water Authority.

In the East, where plentiful rain has been falling, some voters turned down big bond issues for water supplies.

A blow to "annual wage." National significance is being read into Ohio's heavy vote against stiff increases in unemployment compensation and against the plan for giving two pay checks every week to a laid-off worker who is covered by an "annual wage" contract with industry.

For the first time in any State, voters got their chance in Ohio to show their feelings on the "annual wage" issue. Voters in rural areas and the smaller cities rolled up a margin of 300,000 votes against the unemployment "package." What astonished the CIO leaders and a lot of other people is that Ohio's eight major industrial centers also cast a 300,000-vote majority against it.

Labor's plan for jobless pay in Ohio had been drafted two years ago, was becoming an issue even before auto firms and the CIO United Auto Workers signed their first "annual wage" contracts for steady layoff pay.

What labor wanted was this:

Weekly unemployment pay, from public funds, of $50 instead of the present $33.

Benefits payable for 39 consecutive weeks instead of 26 weeks.

(Continued on page 40)

Some Special Issues—

HOW VOTERS REACTED

OHIO—Rejected: Higher pay for unemployed; immediate pay hikes for State officials and judges.

KENTUCKY—Approved: Voting for 18-year-olds, tax exemption for household goods. Louisville and Jefferson County rejected a tax increase earmarked for teacher salaries and new schools.

MINNESOTA—St. Paul voted down a $2.6-million annual tax increase earmarked for schools and city services.

NEW YORK—Approved: Absentee voting of disabled; greater authority for the State controller to determine amount of State aid due local communities; a ban against judges' running for office while on the bench.

Rockwell Report

by W. F. ROCKWELL, JR.
President
Rockwell Manufacturing Company

IN THE LAST 20 YEARS there has been a great deal of talking and writing about the virtues of planning ahead in business. But in all the published material we have seen there is little really good on the *technique* of planning ahead. It is still largely trial-and-error, with each individual company groping its own way. In our own groping we have evolved some beliefs which, to us, seem sound—and some procedures which, for us, work fairly well.

First: we believe that any planning for the future must be done with a firm grip on the present. Plans have little chance of working unless they are based on the present realities of a sound corporate organizational structure, staffed by good key people in command of adequate business controls.

Second: we do not believe it possible for anyone to plan more than a year or two ahead with any great chance of seeing the plans materialize. Of course, we have long-range *objectives*. But we do not have a five-year or ten-year crystal ball that will foretell business, political, or international conditions with enough accuracy for us to formulate detailed tactical plans.

A good yearly plan—intelligently aimed at our long-range objectives and aggressively carried out—is more productive, we believe, than fuzzily out of focus "blueprints for the far future."

And third: we have found that our over-all company planning is most productive when it is based on the right kind of detailed information and ideas from each individual department.

The kind of departmental information we require, how we get it, and how we use it in arriving at a workable master plan, evolved out of years of trial-and-error. Only recently was it formalized to the point of putting it down on paper—a simple, seven-point summary or guide. There is no magic about it, nothing startlingly new in it. But it simplifies and organizes our planning, and gives our plans a fighting chance to succeed.

* * *

Visitors are often intrigued by the sub-zero "torture chamber" in our Pittsburgh plant. This is actually a test room capable of being cooled to minus 50 degrees F. Adjoining it is an ante-chamber in which engineers—bundled up like arctic explorers—become accustomed to the cold gradually, much as divers are conditioned to high pressures before submerging. The "torture chamber" is used to prove Rockwell-Nordstrom valves and valve lubricants under the severest low temperature conditions encountered in actual use.

* * *

Usually it is the supplier who performs "extra" services for his customer, but recently we experienced a pleasant reversal. A very large customer, who uses television on the West Coast, asked if we would cooperate in having a half-hour program built around the early history of Rockwell-Nordstrom valves, and the manufacturing methods we use today. The result was an interesting television show, "Success Story,"—good advertising for us as well as our customer. But in addition, the customer made available to us a film of the half-hour show. Other customers, as well as schools, find this unusual film extremely informative.

* * *

Recently we published a booklet describing the complete line of Rockwell gas testing equipment. One interesting addition is our line of test meters, which are large-dial modifications of the new Rockwell aluminum domestic and commercial meters. Among other uses, gas companies employ them to show customers the amount (and low cost) of gas consumed by ranges, furnaces, clothes dryers, refrigerators and other gas appliances.

One of a series of informal reports on the operations and growth of the

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Minimum payments of $15 a week instead of $10.

Additional payments for dependents of $9 a week instead of $6.

Authority for a worker to draw two checks—one from his employer as well as the one from public funds—when out of work.

Big turnout at polls. Opponents described the proposal as "more pay for no work" and the hottest fire was directed against raises in State compensation. The fight drew more than 2.3 million voters to the polls, and the union pay plan lost by 600,000.

Auto-union contracts with both General Motors and Ford were involved in the voting. For the "annual wage" plans of these firms to take effect, they must be approved by States in which at least two thirds of each company's workers are employed. Michigan and other States where a total of about 60 per cent of the men are employed have given their O.K. Ohio's approval would have put both contracts over the top.

Chrysler Corporation was not involved, as more than enough of its workers are employed in Michigan.

Ohio may approve the plan later, through an administrative ruling or through action by the Legislature.

The GM and Ford wage plans could become effective through approval by such States as Illinois, Missouri, New Jersey and Pennsylvania, where these firms have plants with enough additional employes to bring coverage up to the required level of two thirds of each company's workers.

The result in Ohio, at the very least, means that this newest drive by big labor is slowed down.

Vote for 18-year-olds. Another vote, in Kentucky, also may assume national importance.

Legal age for voting was lowered from 21 to 18 years in Kentucky, the second State to do so. Georgians took the same action in 1943 on the ground that, "if they're old enough to fight, they're old enough to vote." A similar feeling influenced Kentuckians in the current period of peacetime draft. In Kentucky, too, there was a feeling that youths now are better educated, acquire mature judgment at a younger age.

Interest now may revive in reducing the voting age to 18 over the whole nation. President Eisenhower urged a U. S. constitutional amendment in 1954 to put this idea into effect, but the proposed amendment failed to get approval in Congress. A Missouri constitutional convention turned down the idea in 1944. South Dakota and Oklahoma both rejected it at the polls in 1952.

The vote in Kentucky is the first since the President embraced the idea.

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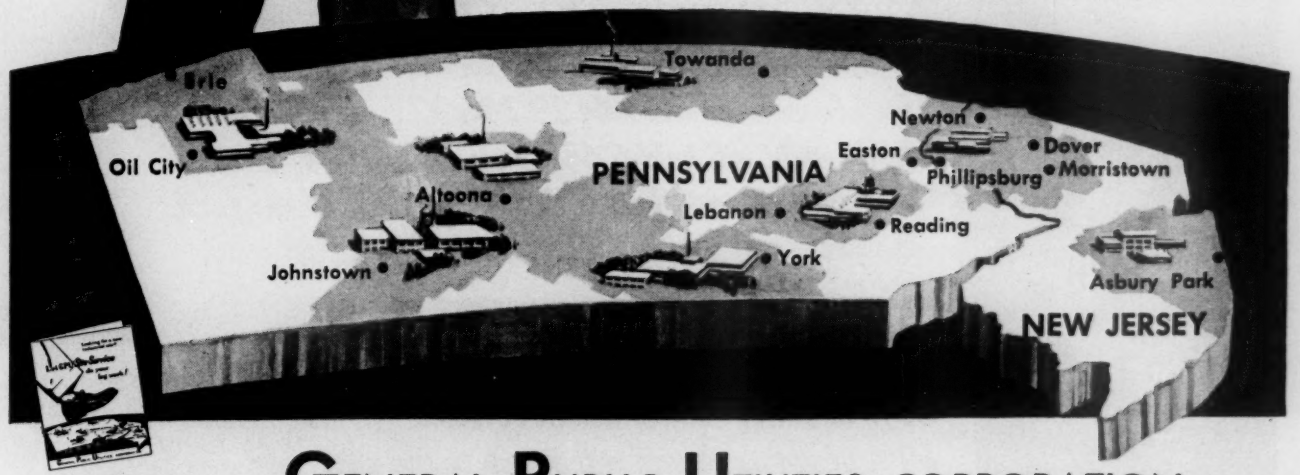

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WHEN FORD TAKES IN PARTNERS—

Stock Sale Will Not Bring Change in Control

There is a sudden curiosity about the Ford Motor Company, now that Ford stock, for the first time, is to be sold to the public.

The facts are becoming known.

Ford is a vast enterprise, and growing. Sales are setting new records. So are profits.

Public will get 13 per cent of Ford stock, 60 per cent of voting power. But Ford family, as always, will run the company.

NEW YORK

The Ford Motor Company is going to be given a value of approximately 3.5 billion dollars when Ford stock is offered for sale to the public for the first time.

A price of between $60 and $70 a share is being mentioned as the most probable offer. At $65 a share, the 53,461,470 new shares will be valued at just under 3.5 billions.

Only a small part of these shares, however, are going to be offered for sale at present. In the first offering, the public will be given a chance to buy 6,952,293 shares at a price that is expected to yield around 452 million dollars.

The shares to be sold will be a part of the holdings of the Ford Foundation, a philanthropic agency established by the Ford family. After splitting its present shares 15 to 1, the Ford Foundation will sell approximately 15 per cent of its holdings. Proceeds from the sale will go to the Foundation. After the sale, the Foundation still will hold more than 39 million shares of the new stock, with a value of more than 2.5 billions at $65 per share.

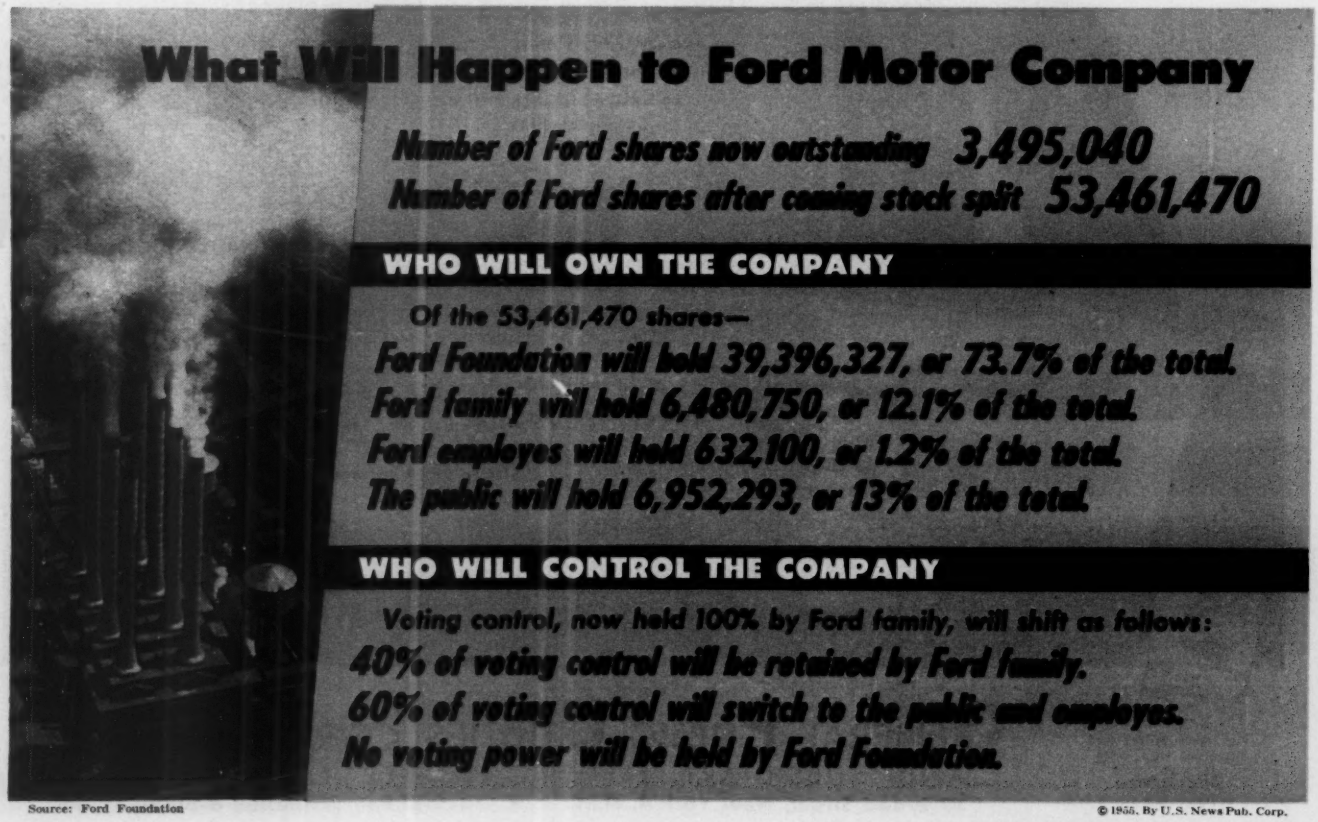
The Ford family is not giving up any of its holdings of Ford stock. However, the family has agreed to transfer 60 per cent of the voting rights in the company to the public stockholders. In exchange for granting voting rights, the Ford family's 172,645 shares of voting stock will be split 21 for 1. The family also will receive a 15-for-1 split on the 190,347 nonvoting shares that it now owns. These shares then will have voting rights.

Family's holdings. At $65 a share, the Ford family's interest in the company will come to about 421 million dollars, almost as much as the general public will hold. On the basis of these stock holdings, the Ford family is immensely wealthy, but probably not the wealthiest in the country. The Rockefeller and Du Pont families, for example, are believed to have holdings approaching 1 billion dollars.

Terms of the sale of Ford stock to the public, as now outlined, vary considerably from plans considered as recently as last spring. The plans then under consideration were told in an exclusive article in the March 18, 1955, issue of *U. S. News & World Report.*

During the earlier discussions, the talk was of a 10-for-1 split. Now, it's to

(Continued on page 44)


What Will Happen to Ford Motor Company
Number of Ford shares now outstanding 3,495,040
Number of Ford shares after coming stock split 53,461,470
WHO WILL OWN THE COMPANY
Of the 53,461,470 shares—
Ford Foundation will hold 39,396,327, or 73.7% of the total.
Ford family will hold 6,480,750, or 12.1% of the total.
Ford employes will hold 632,100, or 1.2% of the total.
The public will hold 6,952,293, or 13% of the total.
WHO WILL CONTROL THE COMPANY
Voting control, now held 100% by Ford family, will shift as follows:
40% of voting control will be retained by Ford family.
60% of voting control will switch to the public and employes.
No voting power will be held by Ford Foundation.

Source: Ford Foundation

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U. I. A.

— or,

Up in the air with a whisky problem

THE PLEASURES of air travel (like most pleasures in this life) are attended by certain problems. One of them is that limitation of forty pounds free baggage in domestic travel.

Two friends of ours, a man and his wife, recently ended a pleasant sojourn on the West Coast and prepared to fly back to New York. Their accumulated possessions were so greatly in excess of the free baggage limitation that it seemed prudent to divide them into two parts: one to accompany them on the plane, the other to be shipped by some slower but economical means.

When the division was made, two objects stood out as problems. From one the lady could not bear to be parted. The man felt the same emotion toward the other. Yet both would add excessive bulk to the plane-bound suitcases. There was only one answer: to wrap them in paper and carry them in arms aboard the plane.

The lady's prized possession was a traveling iron. The man's was a bottle of 12 year old Chivas Regal Scotch Whisky.

We know nothing about traveling irons. But we understand that solicitude for the bottle of Chivas Regal, because—to our regret—it is not always possible to obtain a bottle of Scotland's Prince of Whiskies whenever one wants to buy it. The demand for Chivas Regal in America has grown phenomenally. Yet it is impossible for us to mass-produce it, because this liquid treasure is a blend of *thirty-three* of the rarest whiskies of Scotland.

We are, nevertheless, doing everything possible to distribute the available supply equitably. If your dealer or barman is occasionally out of Chivas Regal, please accept our apologies with his, and give him a second call!

•

BLENDED SCOTCH WHISKY
86 PROOF
CHIVAS BROTHERS IMPORT CORPORATION
NEW YORK, N. Y.

[continued] WHEN FORD TAKES IN PARTNERS—

be 15 for 1. Then the rumored offering price was between $50 and $60 a share. Now reports are of a price between $60 and $70 a share. At first, the talk was that no shares with voting rights would go to the public. Now the new Ford common stock is to carry voting rights.

When plans for selling Foundation stock first began to jell, the big rise in the stock market was still going on. The company was yet to experience the boom in automobile sales that sent Ford profits skyrocketing for 1955. These developments apparently prompted the finance committee of the Foundation trustees to raise its sights.

The chart on this page shows the estimated earnings of the Ford Motor Company in recent years. These estimates are based on analyses by Standard & Poor's Corporation from the annual balance sheet submitted by the Ford Company to the Massachusetts Commissioner of Corporations, the only financial statement Ford has ever made. Detailed figures on assets and earnings, however, will be submitted to the Securities and Exchange Commission before the stock is offered for sale.

On the basis of latest estimates of financial analysts, Ford earnings will jump from $3.79 a share in 1954 to $6.32 a share this year. That accounts for the widespread belief that the forthcoming stock can be offered for about $65 a share. That does not mean, necessarily, that dividends to be paid on the new Ford stock will be high. The company's founder, the late Henry Ford, Sr., believed in using most of any year's profits to finance expansion. That policy has been followed by the present management under the founder's grandson, Henry Ford II.

Management of the company will not change after the sale of stock. The Ford family will hold 40 per cent of the voting rights although owning only 12.1 per cent of the company's stock. This 40 per cent control is sufficient to keep management safely in the hands of the family. The 40 per cent control, in fact, is destined to continue for many years.

The stock-selling plan announced by the Foundation provides that the family's voting rights will continue at 40 per cent so long as the Fords hold as many as 2.7 million shares, compared with the 6,488,750 shares that they will hold initially. Family voting rights will shrink to 30 per cent—still a controlling interest—when holdings fall below 2.7 million shares but stay above 1.5 million shares.

The Ford family thus may dispose of a good portion of its company holdings and still retain working control. Future Ford stockholders, in other words, will have to trust the judgment of the present management. Actually, voting rights are attached to the new shares principally to make them easier to market. Stocks cannot be listed on the New York Stock Exchange unless they carry at least limited voting rights, and the plan is to list the new shares on the nation's biggest exchange.

Record earnings. The offering, expected next January, is to be made after the most prosperous year in automobile history—a year in which the Ford Company shared substantially. Ernest R.

(Continued on page 46)

The Climb in Ford Profits

	Shares Outstanding (adjusted to allow for coming split)	Earnings (total, after taxes)*	Earnings Per Share*
1951	52,829,000	$138,300,000	$2.62
1952	52,829,000	106,900,000	2.02
1953	52,829,000	156,900,000	2.97
1954	52,829,000	200,100,000	3.79
1955	53,461,470	338,000,000	6.32

*Figures are estimated, as Ford Motor Company has not disclosed exact earnings.

They Pumped Live Fish . . . to Prove a Point

When Design Engineers at Fairbanks-Morse perfected the non-clogging pump, they pumped live fish to prove its non-clogging performance. For they knew that if they eliminated the restricted passages that cause expensive pump clogging, they could even pump live fish, whole and undamaged.

The result of that Project is the now famous F-M pump that provides non-clogging service for the food industry, municipal authorities and industrial waste engineers.

Only from Fairbanks-Morse can you get the originality and soundness of *new* design that assure such outstanding performance. When next you need a pump . . . or a scale . . . an electric motor . . . or a diesel engine . . . look for the famous F-M Seal and see the difference that quality makes. Fairbanks, Morse & Co., 600 So. Michigan Avenue, Chicago 5, Illinois.

The Secret of F-M non-clogging pump performance is this unique impeller design that permits pumping all solids in suspension—even fish.

The Result is that on installations, like this food processing line, money formerly wasted on pump maintenance due to clogging is now saved.

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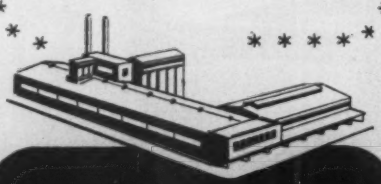
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STEAM BOILER
than with any
other company

Here's one reason: Hartford Steam Boiler spends a large share of each premium dollar in providing engineering and inspecting facilities aimed directly at preventing accidents to the equipment it insures. Its engineers and inspectors are specialists in this one line. Since there are more than 600 of them, chances are that one or more is near your plant, available quickly if needed in an emergency or for consultation on maintenance problems. These men often make money for the policyholder by suggesting ways for prolonging the useful life of expensive equipment — by helping plan restoration of production if accidents occur.

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is our middle name
The
HARTFORD STEAM BOILER
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and INSURANCE COMPANY
Hartford 2, Connecticut

[continued] WHEN FORD TAKES IN PARTNERS—

Breech, chairman of the company's board of directors, has reported that the company's earnings this year would exceed total earnings of the 21 years before World War II.

The offering of more than 6.9 million shares, valued at more than 450 million dollars, will be the largest flotation of common stock in history. It is to be managed by seven large investment banking firms, headed by Blyth & Company. Others are Merrill Lynch, Pierce, Fenner & Beane; the First Boston Corporation; Goldman, Sachs & Company; Kuhn, Loeb & Company; Lehman Brothers, and White, Weld & Company.

Buyers for the stock are expected to be easy to find. Brokers are reported to have been deluged with orders from customers, even before plans for the issue were announced. H. Rowan Gaither, Jr., president of the Foundation, says that efforts may be made to limit the number of shares any individual may purchase in order to get as wide a distribution as possible.

The sale of the 6.9 million shares, however, is expected to be only the first of several offers by the Ford Foundation. In announcing the sales, the trustees stated that for several years they have considered substituting other types of investment in order to diversify their holdings. In years ahead, more Ford stock will be sold.

Up to now, the Foundation's resources have consisted almost entirely of nonvoting stock in the Ford Motor Company. Even after the sale, as the chart on this page shows, the bulk of the funds will be tied up in Ford stock and the Foundation still will be the principal owner of the Ford Company.

A long way since '03. The decision to invite outside stockholders into the Ford Motor Company marks another chapter in the extensive reorganization of the firm that began when Henry Ford II assumed the presidency in 1945. The first Henry Ford started the company in 1903 with $28,000, and, by 1919, had bought out his original partners. Since that time, the Ford Motor Company has been a family-owned firm, with no stockholders other than the Foundation, which had no voting rights. The senior Ford also held firm control of the company management.

Henry Ford II changed this policy. Although he and his two brothers, Benson Ford and William Clay Ford, hold top management positions, Mr. Breech holds the title of chairman of the board. The announcement of the stock sale also disclosed that 108 key Ford employes now own stock in the company.

Stockholdings by these employes will amount to 632,100 shares after the split, which, at $65 a share, amounts to about 41 million dollars. In addition, the employes hold options to buy 1,515,000 shares over the next three years. Presumably, these options and past purchases were made at a lower price than the expected offering price of the new shares. The employes thus are expected to have substantial profits, on paper, after the new issue is sold.

In 1946—losses. When Mr. Breech was brought into the company in 1946 as executive vice president, the firm was

(Continued on page 48)

A LOOK AHEAD AT THE FORD FOUNDATION

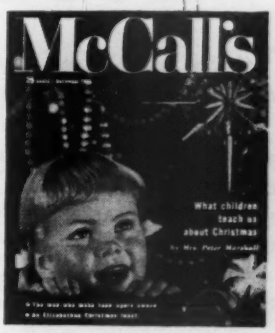
Foundation will get for the Ford stock it sells	$ 451,899,045
Foundation still will own Ford shares worth	$2,560,761,255
Foundation has other assets worth	$ 76,831,208
TOTAL WORTH	**$3,089,491,508**

Note: Figures assume Ford stock, when split, will be worth $65 a share.

Basic data: Ford Foundation

Today...togetherness

inspires the decision



Today—togetherness, more than ever, helps make a house a home.
There's family planning, family playing, family sharing.
And when there are things to be bought,
togetherness determines the kind of car or cake mix,
the color of the carpet—the TV, toothpaste or table lamp.

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whose chief interests are the best interests of herself and her *family.*
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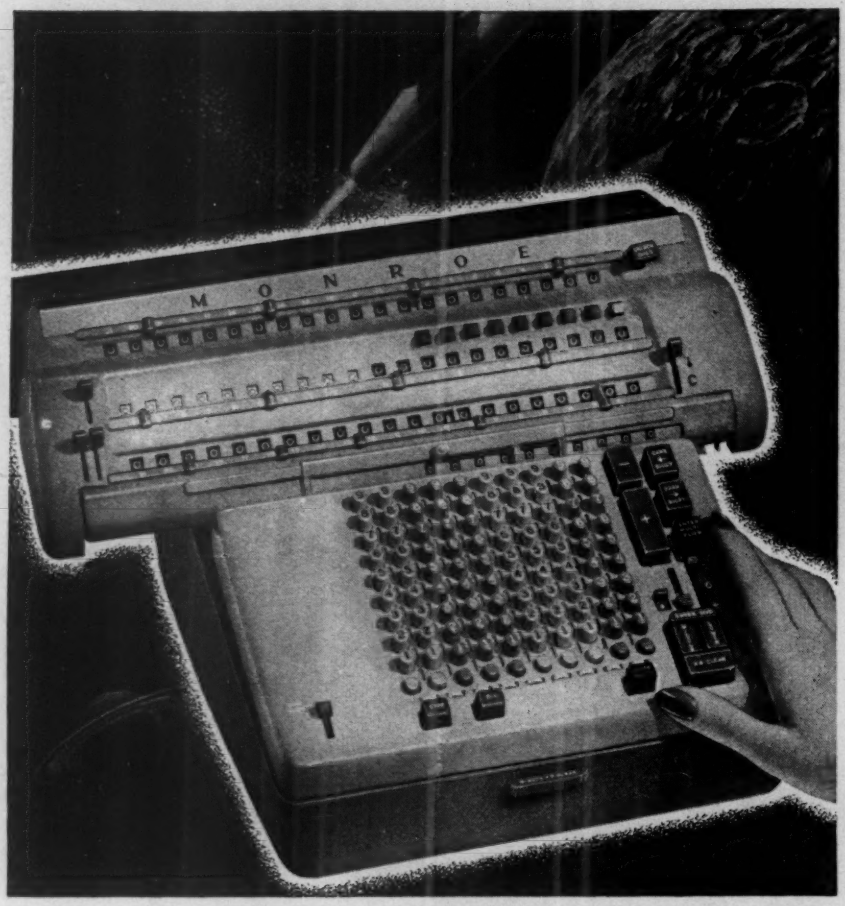

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A dynamic new principle in the new, totally automatic Monro-Matic Desk Calculator: Its compact single keyboard provides functional-color controls. It automatically seeks its own decimal. The Duplex is the only American desk figuring machine that directly adds as it multiplies, adds as it divides, and puts aside and remembers intermediate results to apply to final answers. On payroll computing alone, it cuts down figure work as much as 31 percent. Ask operators who know. *They prefer Monroe.*

Here, gentlemen, is a *preferred investment.* An assurance against obsolescence for years to come. Monroe Calculating Machine Company, Inc. Home office: Orange, New Jersey. Branches everywhere.

see **MACHINES from MONROE**

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[*continued*] **WHEN FORD TAKES IN PARTNERS—**

reported to have been losing money at the rate of 10 million dollars a month. That situation was corrected before the end of the year and the company has since shown a profit.

Also, since 1946, the Ford Company has been expanding steadily. From Jan. 1, 1946, through 1955, investments are reported at more than 1.6 billion dollars. This has added to the company 28 new manufacturing and assembly plants, 20 parts depots and 14 major engineering, research and office buildings. An additional 1 billion is scheduled to be spent through 1958.

The company also is competing strongly with General Motors. Its Ford car is

—Herblock in the Washington Post & Times Herald

"WELL, HEAVENS-TO-LIZZIE!"
. . . the largest flotation in history

running neck and neck with Chevrolet in the low-price field. This year it is introducing the Continental, to compete with Cadillac in the superluxury class. The company also produces the Mercury in the middle-price line, and the more expensive Lincoln. Still another line of middle-price cars is reported to be in the planning stage.

All of this expansion has been financed out of Ford's own resources—retained earnings and reserves for depreciation. The company has no bonded debt and owes no bank loans. It has managed this financing by paying relatively low dividends through recent years. In 1953, for example, the company is estimated to have earned nearly 157 million dollars, but to have paid only 51.8 million in dividends. Out of last year's estimated 200 million in earnings, divi-

dends are said to have been less than 70 million.

A continued ultraconservative dividend policy could have the effect of making Ford stock less attractive to investors. However, reports earlier this year indicated that the Ford management was prepared to adopt a more liberal dividend policy once the public was invited to participate as stockholders. Such a policy also would increase the annual income of the Ford Foundation.

A sale of common stock, however, carries no guarantee that dividends will be paid at any fixed rate, or at all. Stockholders in a company share all the risks management takes—and Ford has had bad years as well as good ones.

The company's 1955 record, however, is expected to appeal to prospective stockholders. It already has announced

THE FORD BROTHERS
Benson, Henry (standing), William

that, during the first nine months, earnings have surpassed any other full year. When the final reckoning is made, the year's profits are expected to exceed 300 million dollars.

The Ford management, furthermore, shows confidence in the future. It is adding to assembly plants and is building parts plants, engine plants, engineering centers and glass plants. The Ford Company also is a leader in automatic methods of production. The company is bidding for a larger share of the market for farm machinery and is expanding operations in Britain, Belgium, France and Germany.

The Ford family, in relinquishing its tight hold on the company, quite clearly expects to offer the public shares in a highly profitable concern. And the public, in turn, will get its first full information about Ford operations.

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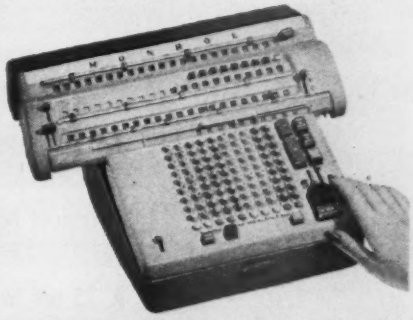


FUNCTIONAL-COLOR CONTROLS are now one of the many speed *exclusives* that Monro-Matic's new concept brings to figure work. Red control keys for dividing, green for multiplying.

see The MAN from MONROE for

CALCULATING • ADDING • ACCOUNTING MACHINES

THIS IS THE NEW ARMY

Smaller—Airborne—More Firepower

What the next war will be like for the GI on the ground can be seen in drastic changes being planned by the U. S. Army.

As the Army sees it now, there will be no front lines, much night combat, brief, devastating clashes over a wide area.

Everyone will move by air, use new weapons, serve in new units.

ALEXANDRIA, La.

Radical changes are being made in this country's plans for fighting the ground phase of any future war—whether that war is global or limited.

The Army, after being cut back in size and status each year since the end of war in Korea, is coming up at this time with a whole set of blueprints for new organization, new tactics and new weapons for ground combat in the jet-atomic era.

These new concepts, which would change drastically the job of the future GI soldier, are being tested in Exercise Sage Brush, now getting under way in Louisiana as the biggest U. S. military maneuver since World War II. The test involves 110,000 troops and 30,000 airmen, covers 7 million acres of maneuver area, and will last until December 15.

Basic innovations in ground warfare, expected to come out of this vast field test, include these:

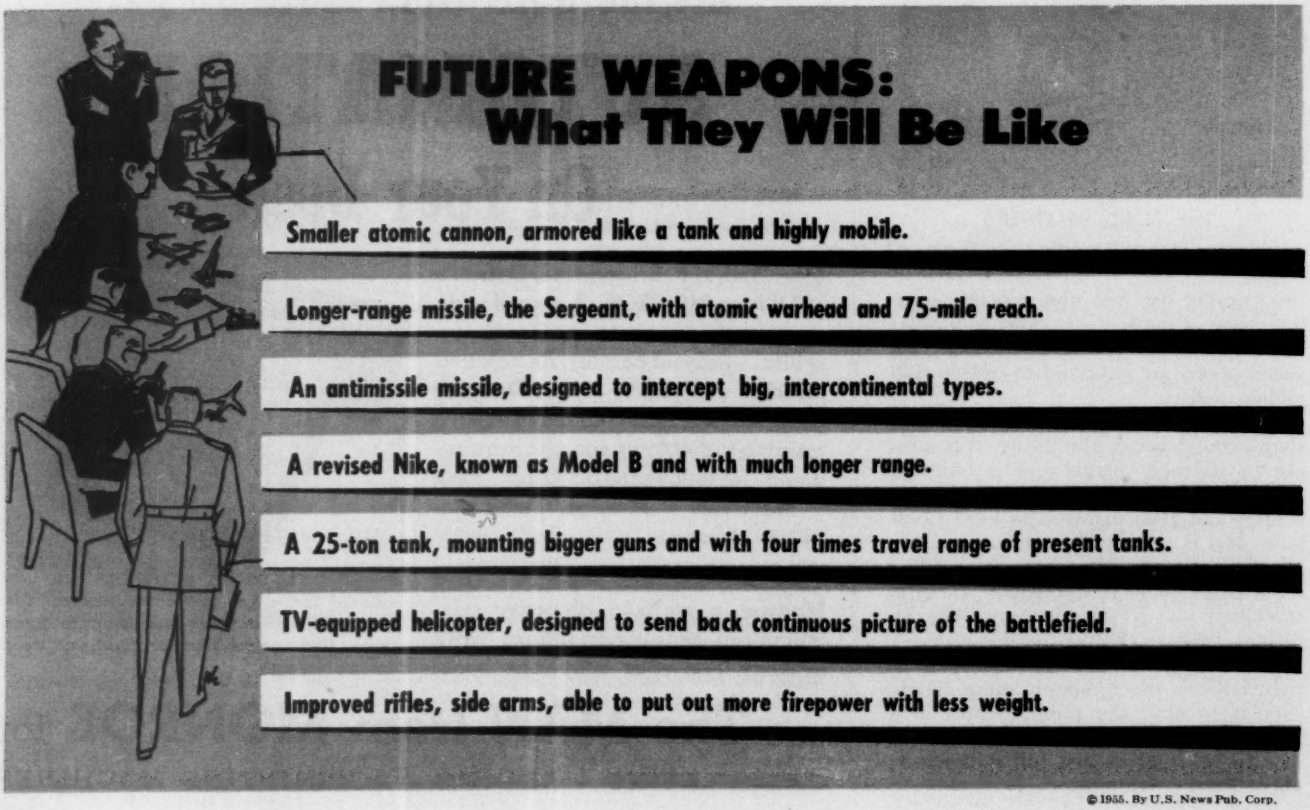
• Front lines, as known in all previous wars, are to be obsolete in future war. Fighting, instead, will be a series of violent clashes, each of short duration, at key points over a large combat zone. Engagements may end in hours, not weeks.

• Major battles will be fought at night. A whole new science of night combat is being developed, involving a variety of techniques for operating in darkness in order to gain elements of surprise and deception.

• Attacks will be three-dimensional. Small units will be brought together quickly by helicopter or paratroop operations, with great strength thus built up in a hurry at key points. A vital area taken, combat units then will scatter by air to avoid forming a profitable target for atomic attack. Battles, in other words, will involve the air above the combat zone for troop maneuver as well as for bomber support.

• Supply "tails" will no longer drag behind the attack forces. Units in the battle area will be supplied by air—with cargo planes, helicopters or parachute drops—instead of by the huge logistical organizations that in the past have been needed to bring combat supplies up by land.

• Devastating new weapons will be used. Tactical atomic bombs and atomic-artillery shells will become standard weapons for battlefield use. Missiles of several kinds will be used to deliver powerful atomic blows to enemy concentrations and installations up to 75 miles or more away. New chemical weapons are hinted at that would stun enemy forces, put them out of commis-


FUTURE WEAPONS:
What They Will Be Like
Smaller atomic cannon, armored like a tank and highly mobile.
Longer-range missile, the Sergeant, with atomic warhead and 75-mile reach.
An antimissile missile, designed to intercept big, intercontinental types.
A revised Nike, known as Model B and with much longer range.
A 25-ton tank, mounting bigger guns and with four times travel range of present tanks.
TV-equipped helicopter, designed to send back continuous picture of the battlefield.
Improved rifles, side arms, able to put out more firepower with less weight.

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sion without fatalities, long enough to provide tactical victories.

• Combat zones will extend in depth over far larger areas than in World War II. Attacks may appear suddenly anywhere in a vast space, with attack forces delivered by air, moved tactically wherever needed in short order.

• Attacks will be designed to concentrate enemy forces into profitable targets for an atomic knockout, not primarily to move forward and capture territory. The aim of future battles, in other words, will be to set up a nuclear checkmate of enemy forces. For the first time, seizure of land, as such, will mean little.

To carry out these new concepts of ground warfare, the Army is experimenting with new organizations, new shapes and sizes for its combat units.

Regiments, for one thing, may disappear. Fighting units, instead, are being planned as "combat commands" and integrated "battle groups" containing a combination of infantry, armor and highly specialized combat teams. Each will be relatively small, completely self-contained. It will have unprecedented amounts of firepower, plus the ability to concentrate it quickly where needed. It will have the capability of being moved by air, together with all of its basic equipment. Top commanders will have constant communication with units scattered over a wide area.

To provide instant intelligence for these fast-moving combat units, the Army is experimenting with a "SkyCav" unit, the size of a reconnaissance company. This new unit will employ helicopters, fixed-wing conventional aircraft, jeeps and even tanks to get current information on what the enemy is doing. The information is to be relayed back in a constant stream by airborne television, as well as photographic, radio and radar equipment. This technique, too, is to be tested in action by Operation Sage Brush.

In order to get quick air mobility for the combat units, the Army plans to expand its own air wing rapidly.

The number of Army planes is being stepped up from a present strength of 4,000 aircraft, half of them helicopters and half lightweight conventional types.

A fourfold expansion is planned in the number of the Army's large-helicopter companies. Aircraft now undergoing experimentation include de Havilland "U's," able to carry 8 combat-equipped troops, a Piasecki model which also carries 8 men, a Sikorsky helicopter capable of carrying 16, and another 'copter which carries 20 soldiers and their equipment.

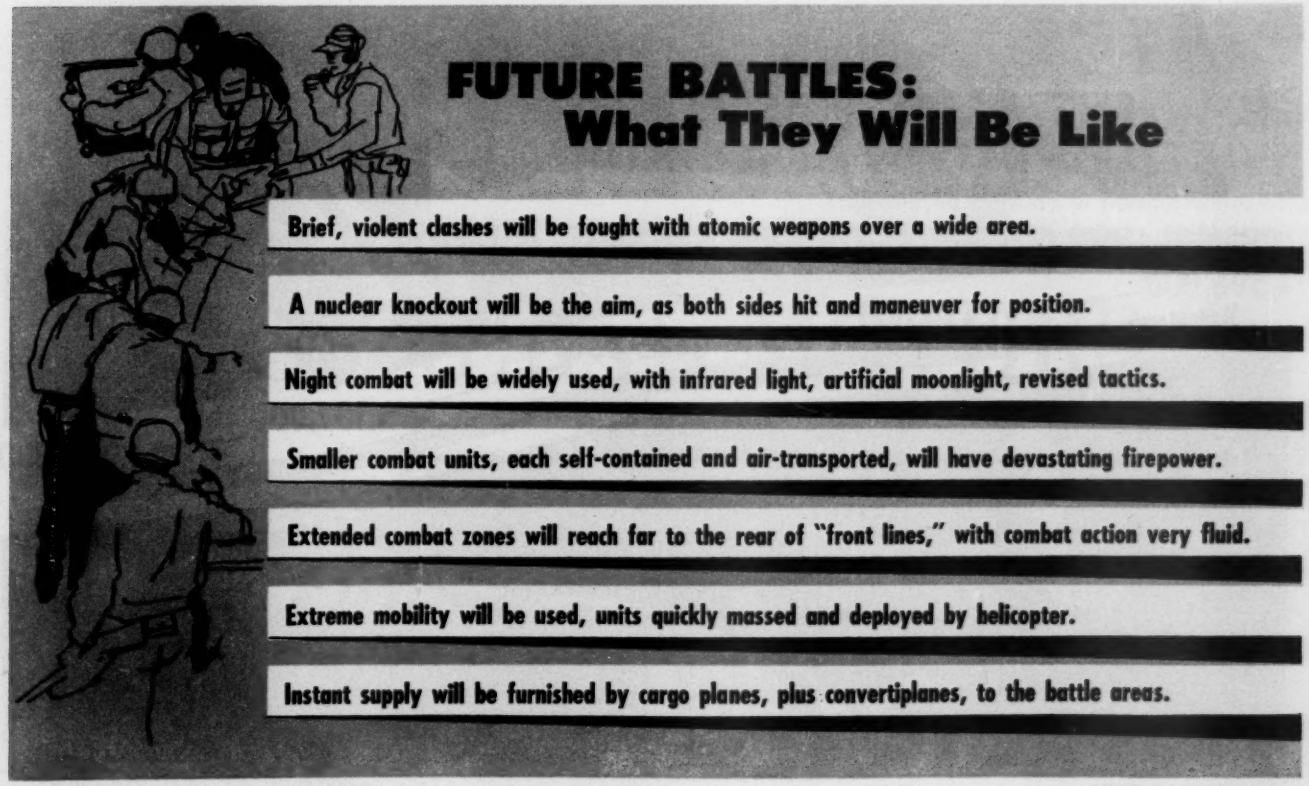
The pilot-training program for helicopters, meanwhile, is being nearly doubled from its current output of 300 pilots annually, and the output of pilots for fixed-wing planes is being stepped up from 750 to 1,200 a year.

New weapons, for the use of airborne combat units in carrying out the Army's revised tactics, are being developed in a wide variety of forms.

Some now are being placed in the hands of troops, for testing in Sage Brush. An airborne antitank gun of 90 millimeters, for example, was just unveiled. It is made partly of aluminum, is self-propelled on tracks, and looks like a small tank. This weapon, the T-101, weighs just 15,800 pounds and can be dropped by parachute.

Other existing weapons are being scaled down so that they can be transported by air. The famed atomic cannon, for one, now is being redesigned on a much smaller scale, with tanklike armor and relatively high speed, compact enough to fit into a standard cargo plane for delivery to a far-off battle area on short notice. Several models of recoilless artillery also are being redesigned to be air-transportable.

Missiles, at the same time, are being developed now as basic Army weapons. The standard Corporal is having its range and accuracy increased in a new model, to be called the Sergeant. The Honest John is being refined as a more mobile substitute for heavy artillery. New varieties are being worked up to replace the Nike as modern antiaircraft


FUTURE BATTLES:
What They Will Be Like
Brief, violent clashes will be fought with atomic weapons over a wide area.
A nuclear knockout will be the aim, as both sides hit and maneuver for position.
Night combat will be widely used, with infrared light, artificial moonlight, revised tactics.
Smaller combat units, each self-contained and air-transported, will have devastating firepower.
Extended combat zones will reach far to the rear of "front lines," with combat action very fluid.
Extreme mobility will be used, units quickly massed and deployed by helicopter.
Instant supply will be furnished by cargo planes, plus convertiplanes, to the battle areas.

© 1955, By U.S. News Pub. Corp.

against fast new jets, and even to provide some antimissile protection on future battlefields.

Basic revisions are appearing in conventional weapons in other ways. A new tank is being worked up, for instance, with four times the cruising range of present tanks, to cover the larger-sized combat areas. Fast personnel carriers are appearing which can be dropped by parachute, then used to move infantry around a battlefield in a hurry. Lighter-weight rifles and other small arms are on the way.

New means of fast communication between the semi-independent "battle groups" and their co-ordinating higher headquarters are getting much attention.

Television units are being trained to focus on the combat action continuously, the picture to be flashed back to the general commanding that action. Long-range radios are being placed in the hands of troops. Techniques are being devised to drop messages, and even pick up written notes, by low-flying aircraft, in a pinch. Effective teamwork in atom-age warfare, the Army theories, makes devices for quick, long-range communications absolutely essential.

A wholly new corps of "liberation fighters" is being developed, meanwhile, to fill another need of modern total war in the new Army blueprint. These troops are to be in a "Special Forces Group," all of them paratroopers trained to operate deep within enemy territory.

—Department of Defense

HELICOPTERS MEAN MOBILITY
. . . and troops where they count

Small units of these highly trained forces are equipped with elaborate radio-radar facilities, demolition materials, small arms, medical and survival gear, to operate independently for prolonged periods in enemy-occupied land. Their mission is to organize guerrilla bands—harassment forces of civilians that can tie down large forces of enemy "regulars." The new units include many linguists and a large proportion of escaped nationals from countries now occupied by Communist armies. All are volunteers, trained as parachutists, experts in some form of guerrilla warfare.

How far the revolution in ground warfare will go, however, depends in part on the Air Force. The Army bases its new plans on great mobility by air. It wants vastly increased "tactical mobility," with whole units able to be moved from one end of a theater of war to the other on short notice, shifted to strike where most needed.

The Army also wants "strategic mobility," the ability to move major combat units by air from one country to another, from the continental U. S. to any point on the globe, in a sudden emergency. Aircraft for this must be furnished by the Air Force, as matters stand now, and would require a big increase in troop-carrier strength. How much more airlift is involved will be tested in Sage Brush. Whether the Air Force will provide it all then must be decided by the Joint Chiefs of Staff.

But this much now is certain: GI's of the future will fight a radically different kind of ground war than the world has ever seen before, if plans now being tested by the U. S. Army are carried through.

HOW THE ARMY HAS BEEN WHITTLED DOWN SINCE KOREA

(Number of men in uniform at midyear)

Source: Dept. of the Army

Photo—Black Star

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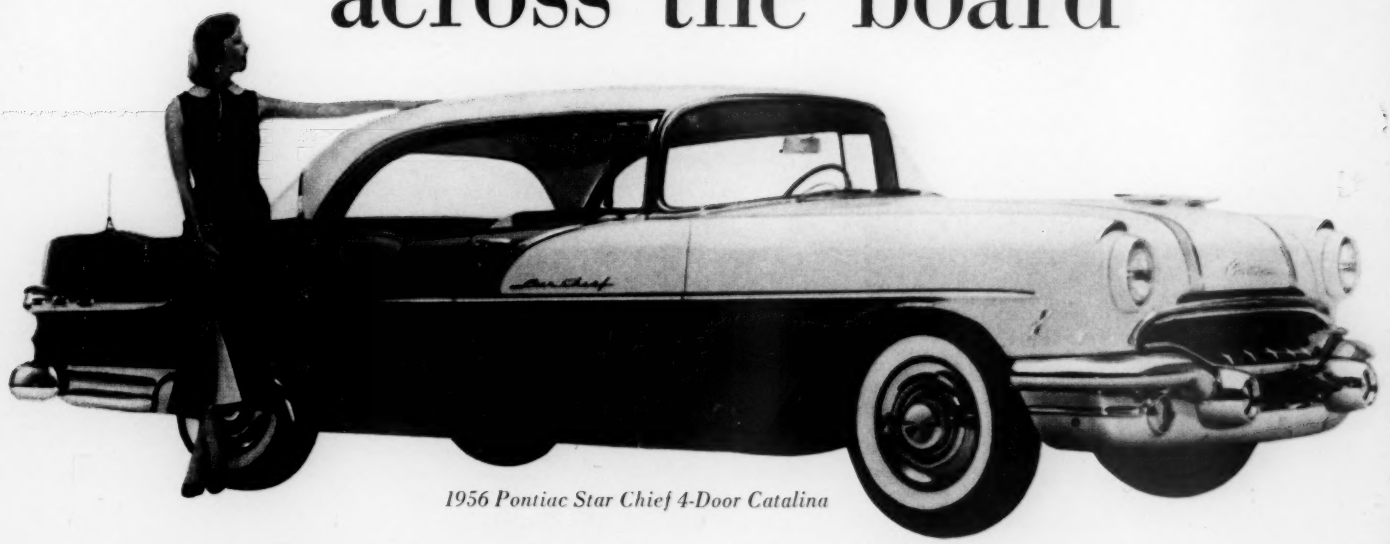
with 4-door hardtop styling

1956 Chevrolet Bel Air 4-Door Sports Sedan

across the board



1956 Pontiac Star Chief 4-Door Catalina

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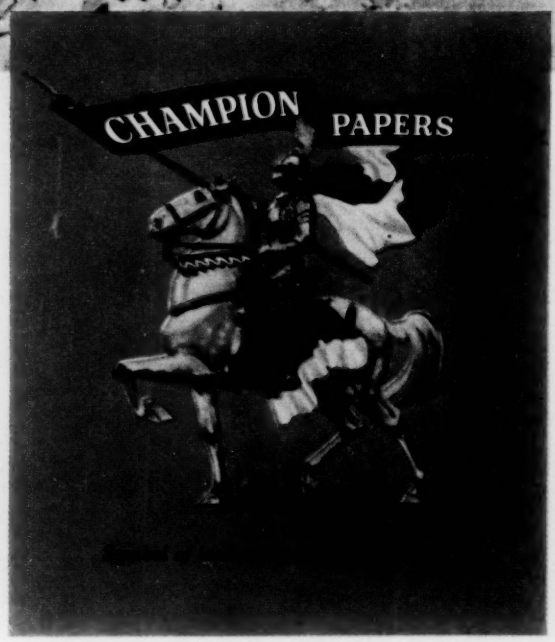

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Blockade: Trigger For Middle East War?

Keep an eye on the Gulf of Aqaba. It can be the key to war or peace in the Middle East as Arab-Israeli tensions mount.

The Gulf is Israel's seaway to much of the world. But it is bottled up by Egypt now, and the blockade is growing.

Both sides are building toward a showdown. A test of strength by either could explode into full-scale fighting.

AQABA, Jordan

A remote spot most Americans never heard of is being watched now as the fuse that may ignite a big war in the Middle East.

While skirmishes along other Arab-Israeli borders catch the headlines, neutral military observers are watching developments in the little-known Gulf of Aqaba, a branch of the Red Sea. The Egyptians are tightening a blockade against Israel in the Gulf. If Israel decides the time has come to contest the blockade, fighting can quickly get out of hand.

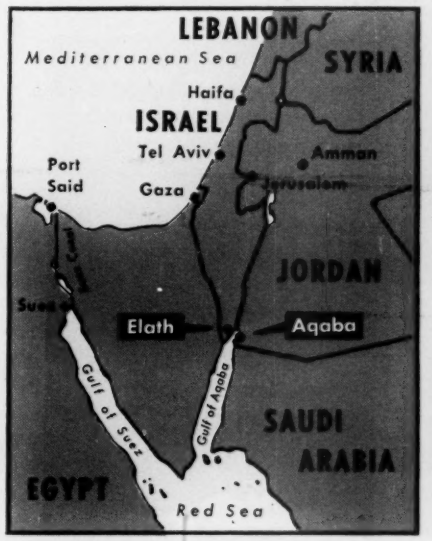
The Gulf of Aqaba is an international waterway that touches three Arab states and Israel. (See map on this page.) Egypt has blockaded it ever since the big fighting in Palestine ended, six years ago. Now Israel has publicly announced that it will break the sea barriers within 12 months—by force, if necessary.

To prove that it means business, Israel is building up a port on the Gulf, right next to Arab Jordan's port of Aqaba, and has been sending in troops to defend it.

The trouble actually started after the end of the Arab-Israeli fighting in 1949. Egypt then seized two unoccupied islands at the mouth of the Gulf, put artillery on them and on the mainland and announced that no ships bound for Israel could pass. Technically, every ship wanting to enter the Gulf to deliver cargo at Aqaba, Jordan's only outlet to the sea, was also required to give 48 hours' notice to the Egyptians.

Incidents grow serious. The blockade caused minor incidents, right from the beginning. Egyptians sometimes boarded ships and scuffled with crew members. As time has passed, the incidents have become more serious.

An American ship bringing a cargo of gift wheat to Jordan several months ago ran afoul of the blockade. As it was passing through the channel at the entrance of the Gulf, the Egyptians signaled it to halt, then fired a shot across its bow. The second shot smashed into the ship's superstructure. The captain said later that he had slowed down, but had wanted to drift to a better anchorage before stopping so as to avoid running aground.



AQABA: A NEW DANGER ZONE
Guns bar a vital seaway

More recently a British ship entered the Gulf on its way to Aqaba to pick up Moslem pilgrims bound for Mecca. Again, the Egyptians fired a shot across the bow. Then they blasted a second one into the hull. Finally they towed the ship to port and put the crew in temporary custody.

The Egyptians have also fortified a small island near the Israeli frontier, about four miles up the coast from Aqaba. The island is not far from the encampments of British troops stationed near Aqaba under agreement with the Jordan Government. One Sunday recently, guns on this island fired on a launch containing 25 British soldiers who were fishing. The Egyptians now warn fishermen to keep a safe distance from the island.

In the last few weeks, the Egyptians

(Continued on page 56)

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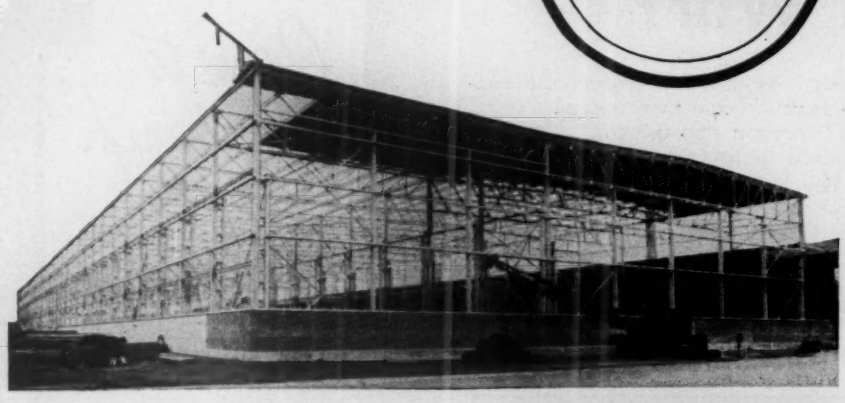

Steel framing for new plant of Shaw-Box Crane & Hoist Division of MANNING, MAXWELL & MOORE, INC., Muskegon, Michigan

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INTERNATIONAL STEEL CO.: All Structural Steel

Getting steel on the job to get this framework up on schedule took a lot of doing. Meeting a 60-day delivery deadline would be tough enough any time. Meeting it at a time of critical steel shortage posed a king-sized problem. But teamwork resulted in a job-speeding solution . . . and with no premium on construction costs.

International engineers worked with the general contractors, shared their experience to expedite completion — helped to design the building around available steel. International's large stocks yielded the 1,000-odd tons of steel required to start this project rolling. This joint effort met the tight construction schedule. In fact, within eight weeks after date of the order the first structural shapes were on the way!

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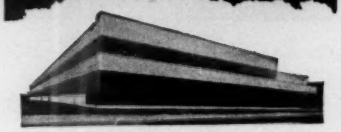

Only a completely coordinated organization could have satisfied the stringent requirements of the job described above. This same all-inclusive — and always interested — service is ready to work with you on any problem involving steel fabrication. Write today and tell us about your needs.

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INTERNATIONAL STEEL COMPANY

[*continued*] **AQABA BLOCKADE TRIGGER TO WAR?**

have tightened blockade regulations. Now a ship that wants to enter the Gulf en route to Aqaba must give 72 hours' notice, instead of 48 hours, as before. One Western official said: "They mean business. If a ship reaches the channel 73 hours after it first gave notice, it had better just start giving its 72-hour notice all over again." Western officials say the Egyptian troops in this area are "trigger happy."

Israel's rival port. In spite of the blockade, the Israelis are going right ahead and building up the port of Elath, just across the border from Aqaba. They have a sentimental attachment to it as the first Jewish port of Biblical days. But there are practical reasons, as well, for wanting to build up Elath.

David Ben-Gurion, the new Prime Minister of Israel, has said he believes his country's commercial future lies in the direction of Asia and Africa. He expects Elath to become Israel's main seaport.

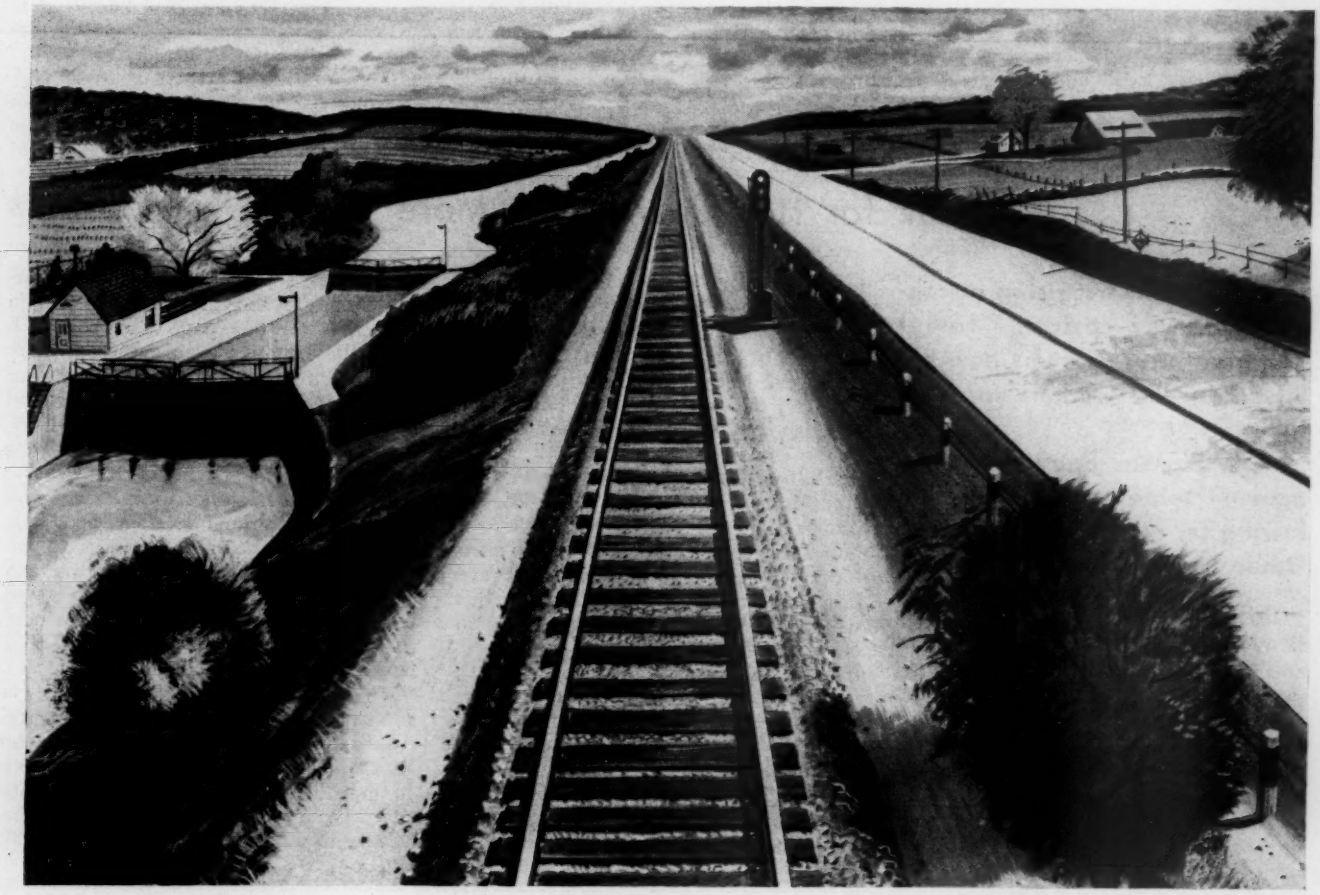
From Aqaba you can look across the border and see Israeli warehouses under construction in Elath. You can see, too, the barracks being built to house Israeli troops.

Looking at all this activity, you get the definite impression that Israelis are deadly serious when they talk of making Elath into a major seaport. Israelis are convinced that they must build up their overseas trade, particularly with Africa and the Orient.

The Suez Canal, one route that would enable Israeli traffic to reach the Orient and the East coast of Africa, is controlled by Egypt and is closed to Israeli ships. Israel's alternate outlet is through Elath and the Gulf of Aqaba. This route, also, is blocked by Egypt, but there are indications that something is going to be done about it.

There are other places where a major flare-up could lead to full-scale war. There is the Gaza Strip, where raiding and counterraiding have been going on for months. There is the disputed El Auja demilitarized zone, on the border of the Negev; sharp fighting there recently has caused deaths on both sides. And there are Israel's tense frontiers with Syria and Jordan.

Many observers think, however, that the Gulf of Aqaba is the key place to watch. Egypt is tightening the blockade, and Israel is determined to open the Gulf to its traffic. Observers believe the showdown will come when Israel decides the time is right for running the blockade. And many of them say that, when this showdown comes, it will trigger all-out war between Israel and the Arab states.



How competitive pricing in transportation would help you

In most American businesses, the benefits of greater efficiency can be passed on promptly to the public. In the transportation business, however, this is not always the case.

Consider what has happened on the railroads:

In the last 30 years the speed of the average freight train has gone up more than 50 per cent; the load has nearly doubled and the hourly output of transportation has increased nearly three times.

To make possible these and other gains in efficiency, the railroads have spent, since the end of World War II, nearly $11,000,000,000 – every dollar of which was financed by the railroads themselves.

But – as is shown in the report of a special Cabinet Committee appointed by the President – government regulation frequently denies to the public the benefit of the lower costs of the most economical form of transportation, so as to protect the traffic and revenues of carriers with higher costs. The result, as the Cabinet Committee says, is that shippers and, ultimately, the consuming public must pay more for freight transportation than would otherwise be necessary.

What can be done to correct this unhealthy situation?

The special Cabinet Committee recommended that railroads and other forms of regulated transportation be given greater freedom to base their prices on their own natural advantages. At the same time, government regulation would continue to prevent charges which are unreasonably high or unreasonably low, or are unduly discriminatory.

This would make it possible to pass on the benefits of the most efficient operations to shippers, producers and retailers, and to the consuming public which in the end pays all transportation costs.

Bills based on Cabinet Committee recommendations have been introduced in Congress. For full information about this vital subject, write for the booklet, "WHY NOT LET COMPETITION WORK?"

Association of American Railroads

924 Transportation Building • Washington 6, D. C.

Beefsteaks May Be Cheaper, Too

Break for Housewives, but More Trouble for Farmers

Behind farmers' rising discontent: lower prices, lower "wages." Most farmers now get less than city workers for their labor.

A Wisconsin dairyman averages 41 cents an hour, after allowing for return on investment. Other farmers make even less.

Housewives who have been paying sharply lower prices for pork chops and bacon soon may find their budget problems eased further by lower prices for beef.

The cheer that this brings to the housewife, however, means more gloom for the farmer.

The cattle market once again has the jitters. Farmers trying to unload their feed lots never know when the market is likely to sink a dollar or two, as it did earlier this month. At best, cattle now bring only half what they brought at their peak price in 1951.

Hogs for some weeks have been bringing only half of what they brought to the farmer 18 months ago.

The result is a problem affecting the great farm States of the Midwest. This problem, in less acute form, spills over into dairying and poultry-raising areas. Farmer resentment, in turn, spills over into politics, especially in the corn belt, where more than 50 per cent of the income from farm marketings is made up from sales of cattle and hogs.

City people often wonder what all the hollering is about. They raise questions concerning what complaint, actually, farmers have.

Answers to these questions can be found in official studies of farm income made by the Department of Agriculture. What these studies show for some average farms, in 1954, is given for you in the chart on this page and page 59. Since these figures were gathered, there has been a sharp drop in the income of farmers whose business is built around hogs or cattle, or both. Dairy farmers, however, are expected to do about as well, perhaps slightly better, this year.

Farmers, like other people, are interested in improving their economic lot. They watch their income and expenses. When their income at the end of the year turns out to be less than wages received by the workingman in the city, there is likely to be something of a flare-up.

The farmer's investment. Running a farm of any size these days is a business that requires capital. Even those who rent land must have a sizable investment in machinery, livestock, feed and supplies. On a good corn-belt farm, this investment will run as high as $30,000.

Balance sheet of —

AN IOWA FARMER
who fattens cattle and hogs

His investment ..... *(Value of land, buildings, equipment, supplies, livestock)*	**$56,450**
His earnings in 1954	
Net cash income ..... *(Sales of $18,567, less expenses of $12,622)*	**$ 5,945**
Other income ..... *(Food produced on farm, allowance for housing, additions to stored crops, increases in livestock herds)*	**$ 2,904**
Total income	**$ 8,849**
Deducting an allowance for	
Interest on investment, at local rates	**$ 2,843**
Leaves as a	
Return for labor *(farmer and his family)*	**$ 6,006**
Hours worked 3,420	
"WAGE" per hour	**$ 1.76**

Balance sheet of —

A MISSOURI FARMER
who raises feeder cattle and hogs

His investment ..... *(Value of land, buildings, equipment, supplies, livestock)*	**$34,070**
His earnings in 1954	
Net cash income ..... *(Sales of $6,439, less expenses of $3,834)*	**$ 2,605**
Other income ..... *(Food produced on farm and allowance for housing, minus drop in value of stored crops and livestock herds)*	**$ 302**
Total income	**$ 2,907**
Deducting an allowance for	
Interest on investment, at local rates	**$ 1,702**
Leaves as a	
Return for labor *(farmer and his family)*	**$ 1,205**
Hours worked 3,160	
"WAGE" per hour	**$ 0.38**

Source: Farm Income Data: Dept. of Agric. Wage Data: BLS

And those who own their farms, as the majority do, are likely to have investments larger than many small businessmen.

The return that farmers are getting on their investments, and for their labor, is revealed in the Agriculture Department's studies. These studies are based on detailed records kept by thousands of farmers all over the country under supervision of farm-management experts at State agricultural colleges.

As the balance sheet in the chart shows, today's corn-hog-cattle farmer is a businessman with an investment of $56,450. He sold, in 1954, crops and livestock worth $18,567 and paid out in expenses $12,622.

This corn-belt farmer's total income for 1954, including an allowance for housing on the farm and the value of farm-produced food consumed by the family, was $8,849. This is well above the $6,156 earned by the average nonfarm family in 1954.

However, after deduction of $2,843 as an allowance for the interest that the farmer's investment would have brought at local rates, the return to the farmer and his family for their year's labor figures out to $6,006. Based on the total working time of himself and other members of the family for the year, his hourly wage is $1.76.

A pay comparison. This return for labor on a corn-hog-cattle farm, which is one of the most prosperous types of farming in the United States, is less than that earned by workers in many industries. As also shown in the chart, workers in automobile and steel plants averaged $2.20 an hour in 1954. Only the wage of the rubber-plant worker, of pay scales listed in the chart, was below that of the average farmer who fattens hogs and beef cattle for market.

To make matters worse, in the view of the farmer, the wage per hour from this type of farming is likely to average out considerably less when the figures for all of 1955 have been compiled. The Economic Unit of *U. S. News & World Report* estimates that sagging prices for hogs and cattle will reduce the total income of the man who feeds these livestock by 15 to 20 per cent. In this event, his wage per hour will drop below the $1.50 an hour paid to an unskilled section hand for a railroad.

On other types of corn-belt farms, the return to farmers in 1954, as measured on the wage-per-hour basis, was not as good as on the farms that fatten hogs and cattle. "Cash grain" farmers, who sell their corn and other grains on the market instead of feeding them to livestock, averaged $1.62 an hour. Those farmers who combined dairying and hog raising got $1.07 an honr for their labor in 1954.

38 cents an hour. On the hilly, less-productive land in the southern fringe of the corn belt, wages for farmers who raise feeder cattle and hogs were 38 cents an hour in 1954. The balance sheet for the average Missouri farmer on this type of farm is shown in the chart. Such wages, say farm leaders, are hardly in line with the ability of a man who has put together a business with a capital investment of $34,070. The income on this type of farm, it is estimated, will slide down by 20 per cent for 1955 as a whole.

The income of farmers in the dairy belt, which overlaps the corn belt in the politically sensitive farm States of Wisconsin and Minnesota, firmed somewhat in 1954 after dropping sharply from 1952 to 1953.

As shown on the balance sheet for the man on the average dairy farm in eastern Wisconsin, the total income from this type of farming was $3,321 in 1954. This is just over half that of the aver-

(Continued on page 60)

Balance sheet of —

A WISCONSIN FARMER
who milks a dairy herd

His investment ..... *(Value of land, buildings, equipment, supplies, livestock)*	**$33,010**
His earnings in 1954	
Net cash income ..... *(Sales of $6,688, less expenses of $4,712)*	**$ 1,976**
Other income ..... *(Food produced on farm, allowance for housing, additions to stored crops, increases in livestock herds)*	**$ 1,345**
Total income	**$ 3,321**
Deducting an allowance for	
Interest on investment, at local rates	**$ 1,701**
Leaves as a	
Return for labor *(farmer and his family)*	**$ 1,620**
Hours worked 3,910	
"WAGE" per hour	**$ 0.41**

By comparison —

WORKERS IN INDUSTRY,
with no investment, averaged this much per hour in 1954:

Auto worker	**$2.20**
Steelworker	**$2.20**
Shipbuilding worker	**$2.14**
Meat-packing worker	**$1.93**
Electrical-machinery worker	**$1.82**
Rubber-plant worker	**$1.69**

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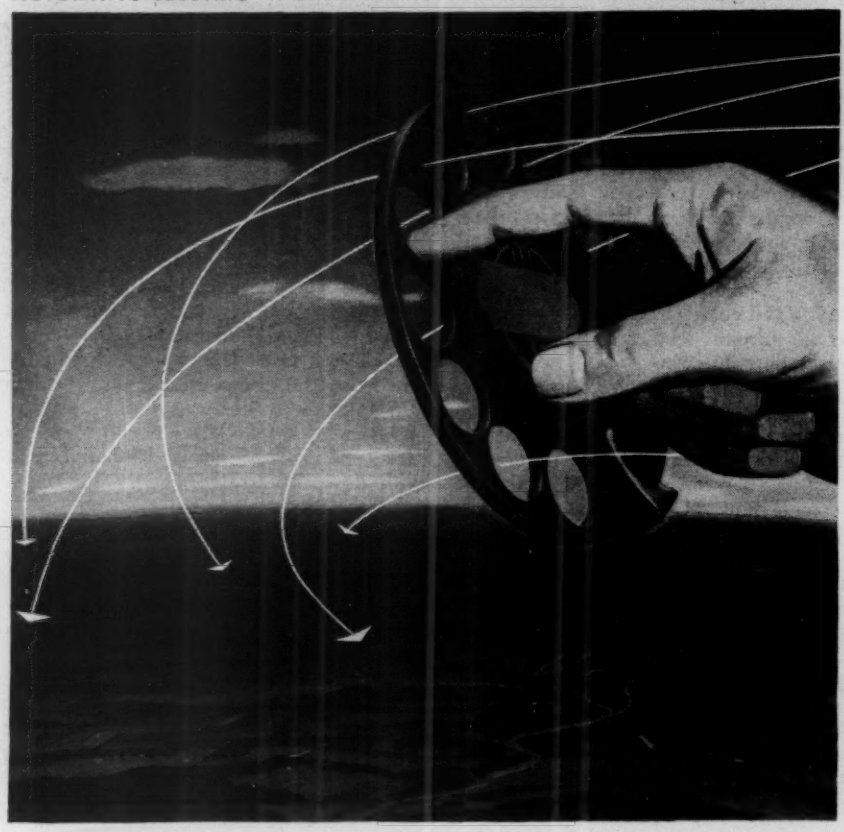
AUTOMATIC ELECTRIC—A GREAT NAME IN COMMUNICATION AND CONTROL



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Late this year, the Independent telephone company at Pekin, Illinois, will begin to provide customer dialing on a nationwide basis. Its equipment has been supplied by Automatic Electric. Other Independent telephone companies are already providing similar service on a regional basis and in large metropolitan areas — using equipment developed and supplied by Automatic Electric.

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AUTOMATIC ELECTRIC

ORIGINATORS OF THE AUTOMATIC DIAL TELEPHONE

[*continued*] **BEEFSTEAKS—CHEAPER?**

age nonfarm family last year. On a wage basis, after deducting an allowance for interest on investment, the dairyman received 41 cents an hour for his labor.

On dairy farms in western Wisconsin, where the land is less productive and markets are more distant, the total income was $2,494 and the wage per hour was 36 cents. Dairy farmers in the Northeastern U. S. did somewhat better than those in Wisconsin, taking in a total income of $3,327 and earning 51 cents an hour.

But the dairymen's wages in 1954 were handsome compared to those of farmers in some other areas. The average North Dakota farmer who raised wheat and

—McManigal

WHEN THE FARMER TOTS IT UP . . .
. . . the income pinch is painful

small grains and handled some livestock received only 10 cents an hour for his labor. Cotton farmers in the Piedmont area of the Southeast got only 7 cents an hour. Sheep ranchers in the northern Great Plains would have been better off had they invested their capital assets of $84,000 and loafed the entire year—because their wage per hour figured out at a minus 3 cents.

Unhappiness grows. Senators who recently toured the major farming areas of the country found mounting resentment among farm people over this disparity between their income and that enjoyed by people in other occupations. Farmer after farmer told bitterly of price increases on the things he buys, and traced them to wage boosts paid to work-

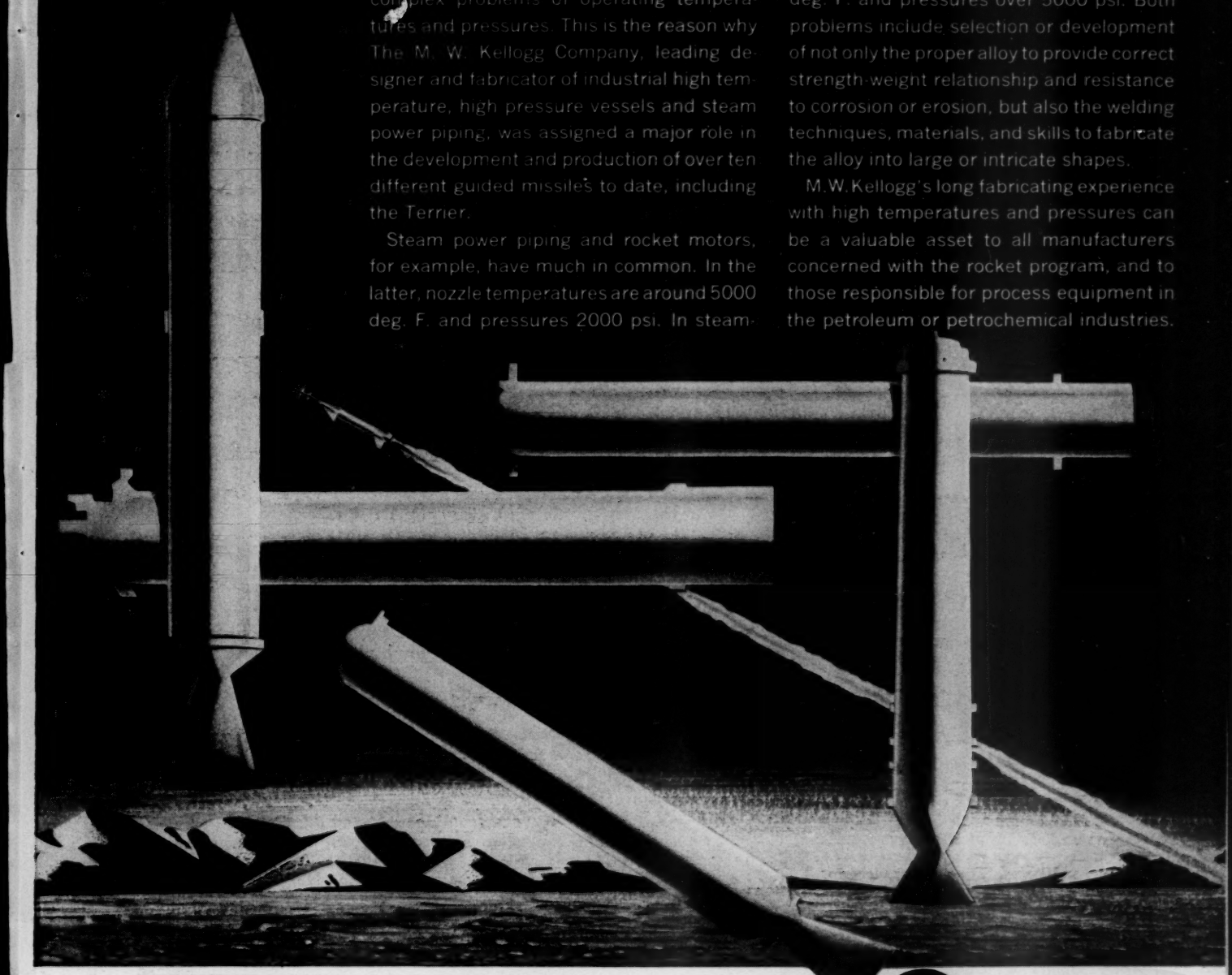
(Continued on page 62)

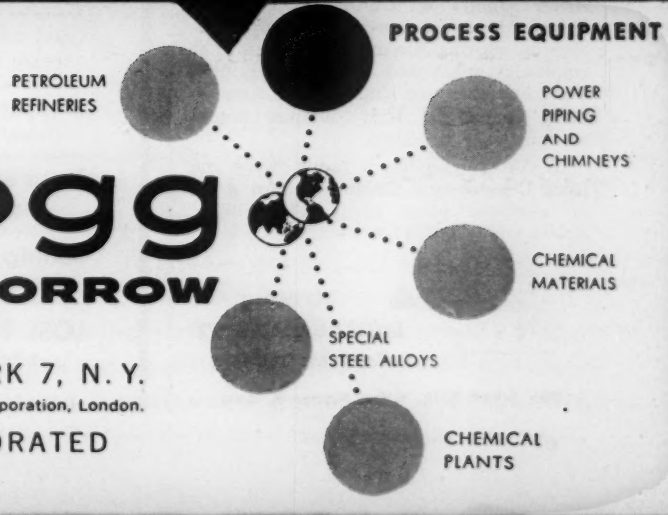
Outline of 1000 Temperature-Pressure Problems

Any rocket engine looks simple in silhouette—but its 150 or more parts present new and complex problems of operating temperatures and pressures. This is the reason why The M. W. Kellogg Company, leading designer and fabricator of industrial high temperature, high pressure vessels and steam power piping, was assigned a major role in the development and production of over ten different guided missiles to date, including the Terrier.

Steam power piping and rocket motors, for example, have much in common. In the latter, nozzle temperatures are around 5000 deg. F. and pressures 2000 psi. In steam-electric power plants, the Kellogg assignment concerns piping to withstand 1250 deg. F. and pressures over 5000 psi. Both problems include selection or development of not only the proper alloy to provide correct strength-weight relationship and resistance to corrosion or erosion, but also the welding techniques, materials, and skills to fabricate the alloy into large or intricate shapes.

M.W. Kellogg's long fabricating experience with high temperatures and pressures can be a valuable asset to all manufacturers concerned with the rocket program, and to those responsible for process equipment in the petroleum or petrochemical industries.





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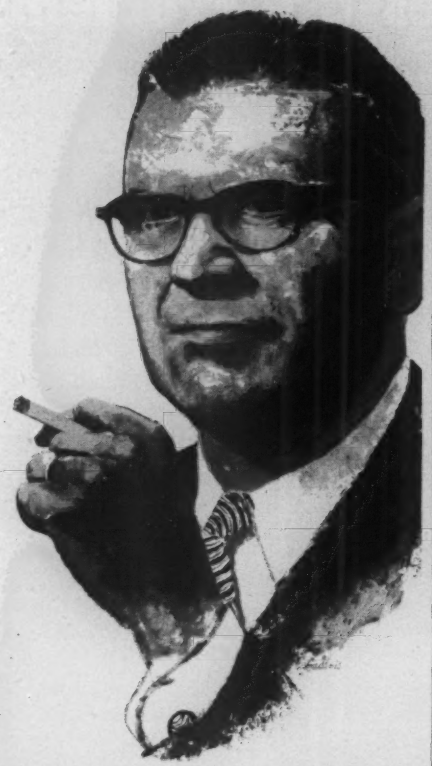


BETTER HOMES & GARDENS IS RIGHT AT HOME IN IOWA

Fred Bohen

Fred Bohen, President, Meredith Publishing Co., Des Moines, Iowa

"Better Homes & Gardens magazine advocates a type of life built around attractive, functional homes that encourage family activities. And our editors find that sort of living in Iowa. From cooking to gardening our editors do the things they write about, live the life they write about.

There's plenty of room for this pleasant and productive way of life in every Iowa community — room for good-sized homes, gardens and lawns. There's time, too, for families to enjoy each other, their homes and hobbies. For in Iowa, a man's home and business are only minutes apart."

Industrial leaders must agree with *Better Homes & Gardens'* concept of living. More and more, farsighted executives are moving into areas that allow their employees space and time to enjoy life. They find their working force is happier, more contented. They discover output and efficiency is higher.

If you're planning a move, write the Iowa Development Commission for a list of available plant sites and facilities. *Address your inquiry to —*

IOWA DEVELOPMENT COMMISSION

306 Jewett Bldg. • Des Moines 9, Iowa

[*continued*]

BEEFSTEAKS—CHEAPER?

ers in industry and passed on by the manufacturer.

The jittery state of the cattle market is another source of deepening discontent throughout the fertile Midwest. Farmers had hoped that stability in this particular market, after a sharp break in 1952 and 1953, would help see them through the current crisis in the hog market. Prices for pork on the hoof now are rocking along at the lowest levels since 1942.

Cattle feeders, who had been holding corn-fed steers in their feed lots in hope that prices would take at least a slight upturn, finally had to unload some of them early this month. Result: The market broke from $1 to $2 per 100 pounds.

What this meant to one Iowa farmer who had gambled on a market upturn is shown in the table on this page.

Mortgage debt: rising. Actually, few people are arguing that farmers are rolling in wealth with farm income at current levels. However, many people are asking if farmers aren't in a pretty good position to weather the storm after the good years during and immediately following World War II.

Farmers did pay off debts at that time, and put themselves in a strong financial position, generally speaking. Statistics bear this out. Even in 1955, after nine years in which farm debt has increased steadily, the total liabilities of farmers amount to only 11 per cent of their total assets as against 19 per cent in 1940.

But the fact that farmers' financial position is weakening a little each year is making them edgy. Seen as an indication that farm debt is rising more rapidly this year is a recent report from the Farm Credit Administration showing that farmers took out a larger amount of mortgage money in the first six months of 1955 than in any similar period since 1934.

Total amount of mortgage money obtained with farms as security in the six-month period was 1.3 billion dollars. The average mortgage, according to the report, was $1,100 larger than for the first six months of 1954.

To younger farmers, who got into the business when prices of farm land and machinery were high, the current pinch on income is painful. It is even disastrous to some who can't meet payments and are forced to liquidate.

To older farmers, better able to get by a few lean years, the situation is too much like the 1920s, when they lost ground year after year while the rest of the economy was booming.

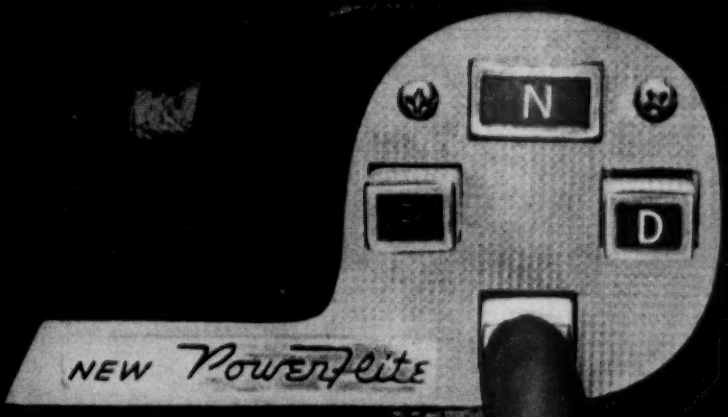
Add all these things together—a depressed hog market, a jittery cattle market, decreasing income, increasing debt, failure to share in the nation's prosperity—and you understand what all the hollering in the farm belt is about.

A Cattle Feeder's Story

Actual figures from the records of one cattle feeder in central Iowa show this:

Cost of 101 feeder cattle (October, 1954)	**$13,113.54**
Interest on loan to purchase cattle	**$ 583.00**
Cost of feed to fatten the cattle (corn at $1.40 a bushel)	**$ 9,497.17**
Shipping costs (from ranch to farm, and from farm to market)	**$ 538.85**
Total expense of buying, fattening and marketing cattle	**$23,732.56**
Selling price of fattened cattle (early November, 1955)	**$23,285.00**
LOSS TO THE CATTLE FEEDER —after feeding and caring for the cattle for 13 months	**$ 447.56**

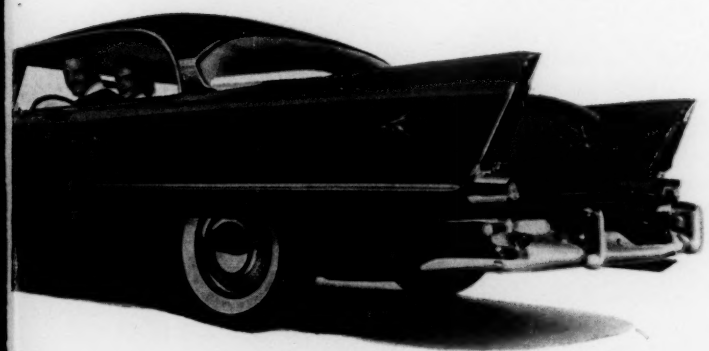
The car that's young places with the Young in Heart



Aerodynamic Plymouth '56

All-new Plymouths in 29 models. Choice of engines—new Hy-Fire V-8 or PowerFlow 6.

Push-Button Driving



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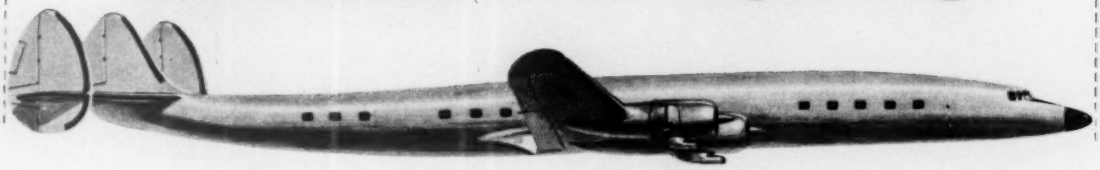

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A NEW TYPE OF FORMOSA WARFARE

Reds Spot British Cargo Ships for Chiang's Bombers

British-registered ships, slipping through Chiang Kai-shek's China blockade to carry cargoes for the Reds, are taking a beating off Formosa.

Chinese Communists are seeing to it. They are deliberately setting up blockade-runners as targets for Nationalist bombers.

The Red game: to stir British against Chiang, try to split U. S. and its allies.

HONG KONG

A new type of Formosa warfare is under way between Communist China and the Nationalist forces of Chiang Kai-shek—and it has both the United States and Britain on an uncomfortable spot.

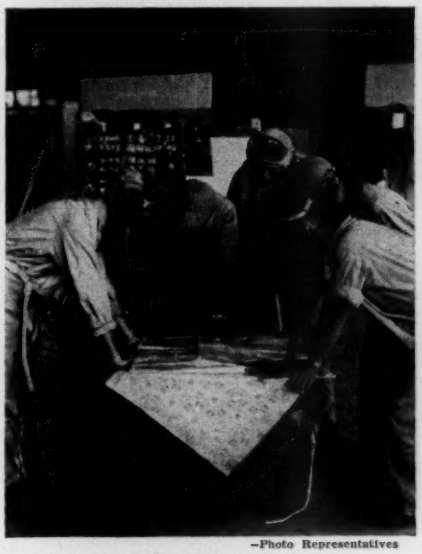
Victims of the fighting are British-registered freighters and other ships that are running the Nationalist blockade of Formosa Strait to deliver cargoes to Red China's "invasion ports" of Swatow, Amoy and Foochow.

Britain, anxious to trade with Communist China, is providing armed ships in the Strait to guard vessels flying the British flag. The Nationalists, trying to curb the swelling volume of goods reaching Red forces across from Formosa, are attacking, damaging and sometimes sinking these ships.

It's a rough war. In the last two years, 54 blockade-runners have been sunk or damaged and one British skipper killed. Now the pace is stepping up. Three British vessels and one Norwegian ship have been sunk in the past few months. Rusty tramps, riding at safe anchorage in Hong Kong harbor, are pockmarked with bullet scars picked up on trips through the blockade.

No one in Hong Kong knows exactly how many foreign vessels enter Communist ports each year. The best estimate is that 900 calls were made in 1952, about 1,500 last year and the same number in the first 10 months of 1955. About 15 ships a month actually run the blockade from Hong Kong to Swatow, Amoy and Foochow. It is these ships that are caught up in the new turn the fighting has taken in Formosa Strait, as shown in the map on page 66.

Shooting to kill. The Nationalists admit most of the ships in the China trade carry only nonstrategic goods, such as textiles, fertilizer and pharmaceuticals. But they know that, once these vessels have discharged their loads at unblockaded ports, the skippers take on cargoes of food, lumber and other goods bound for the "invasion ports" of Amoy and Foochow. There is reason to believe some British-registered ships carried the cement from North China that the Communists used to build airfields across from Formosa. That is why Chiang's forces have orders to "shoot to kill."



—Photo Representatives

NATIONALIST PILOTS
Their target: blockade runners

Every ounce carried by a foreign vessel means the Communists can devote that much space in their own tiny junks to moving gasoline, ammunition and other war supplies from Shanghai to their forces within striking range of Formosa.

Nationalist officials point out that many ships flying British colors and engaged in the China trade are not really British-owned. They do sail under British registry. Registering a vessel costs only a few dollars in Hong Kong. But these ships operate under Communist orders. Often they are owned by Communists.

In strategic terms, Chiang Kai-shek's blockade is puny. It covers only Communist ports directly across from Formosa. His six destroyer escorts and two destroyers can operate only in areas covered by the Nationalist Air Force.

But, if you think the Nationalists don't mean business, all you need do is visit their coast-artillery positions on Quemoy or an airfield on Formosa and see the posted silhouettes of notorious blockade-runners. The Nationalists have so thoroughly identified them that these vessels have often limped back to Hong Kong with their hulls looking like sieves.

With the Nationalists now relying more on their new jet aircraft than on warships to bottle up the Red ports, casualties and damage are almost certain to increase.

Role of America. The U. S. is indirectly involved. Warships of the Seventh Fleet are in the danger zone and the U. S. is pledged to help defend the Nationalist forces on Formosa. At the same time, Britain's Royal Navy is helping shepherd ships flying the Union Jack through the blockade. And the Communists, instead of protecting the blockade-runners, have been credited with one of the dirtiest tricks of the war—that of deliberately exposing British ships to attack from Formosa in an attempt to provoke new trouble between the U. S. and Britain over the whole question of China.

It works this way: The captains of British-flag vessels are prohibited by the Communists from entering China's blockaded ports at night. They are threatened with shelling by Communist shore batteries if they break the regulation.

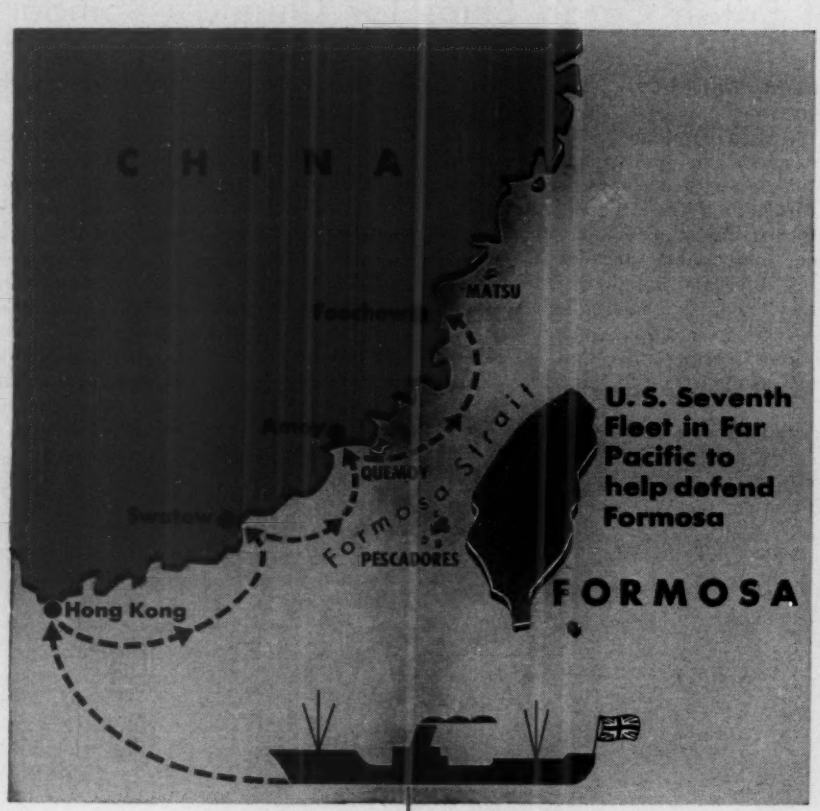
Communist radio operators talk with British ships at sea by means of open, uncoded broadcasts that are readily intercepted by the Nationalists. In two-way radio conversations, the Communists require a captain to pinpoint his position, speed and estimated time of arrival. Ships are held outside ports until well after daylight, and then are halted in narrow entrances to await boarding by pilots and quarantine officers.

In practically every case, the Communists broadcast full information on where the ships are to wait—and when. The inevitable happens. Nationalist radio crews pick up the broadcasts and relay the information to Chiang's Air Force. Soon Nationalist planes swoop down on the blockade-runners, which are anchored off the "invasion ports" like sitting ducks—easy targets for Nationalist bombs, rockets and machine-gun fire.

Communist strategy. What the Reds are trying to do is clear: They want to

(Continued on page 66)

FORMOSA:
Battle of the Blockade



1. Red Radio directs blockade runners to anchorages off China ports of Swatow, Amoy, Foochow. Red gunners open fire on ships that ignore broadcasts.

2. Nationalist forces pick up Red broadcasts, alert warships and patrol planes, which then "zero in" on ships bound for mainland ports.

3. British freighters, entering Formosa Strait, are caught in the middle. It looks like a Red trap to cause trouble between U. S. and Britain over China.

get Britain more deeply committed to keeping Formosa Strait open. They reason that such action would set the U. S. and Britain to arguing between themselves over the whole issue of Western policy toward Communist China.

British captains are not naïve about the situation. One says: "At first I thought the Communists were either innocent or stupid. I spent hours with them drawing sketches and explaining how their radio transmissions revealed my position to the Nationalists. Finally I got the idea. That was exactly what the Reds wanted."

Most of the freighter captains admit they don't like the Formosa Strait run. Even when they escape attack, they get a cheerless welcome from the Reds. They have to request permission to go ashore. Ports are dull. Their crews are mostly Communist-indoctrinated. Captains have the feeling they are being watched—both aboard their own vessels and ashore.

"I don't mind running risks when it's our own war, but it's getting too expensive now," one of them remarked in Hong Kong the other day. "I can handle any two Nationalist warships. I don't mind their guns or their old planes. But I hate these jets! They come screaming out of nowhere, blast you and then they're gone. You don't have a chance."

Most of the captains in the China coastal trade are middle-aged men who would find it difficult, if not impossible, to get jobs as skippers on other runs. They have spent their lives out here and they know the coast run. Also, the pay is good. Officers and crews alike get a 100 per cent bonus above base pay for every trip through the blockade.

Nevertheless, some skippers are beginning to weary of the risky business. Three veteran British captains now decline to take ships into Red ports. Others are urging the Royal Air Force to use its planes to protect British-flag shipping in Formosa Strait.

"Piracy"? The heart of the conflict over free passage through the Strait comes down to a matter of terminology. The British call the Nationalist attacks "piracy." The Nationalists reply that they are not blockading the mainland but simply exercising their sovereign right of "closing" ports.

No matter how long the argument goes on, it is clear now that the Nationalists are going to continue shooting up blockade-runners in Formosa Strait—with the tempo of attack stepping up as more jets are added to Chiang's striking force.

And, just so long as it suits their purpose, the Communists can be expected to continue drawing Nationalist fire to the very British-flag vessels that are risking their existence to carry cargoes for Communist China.

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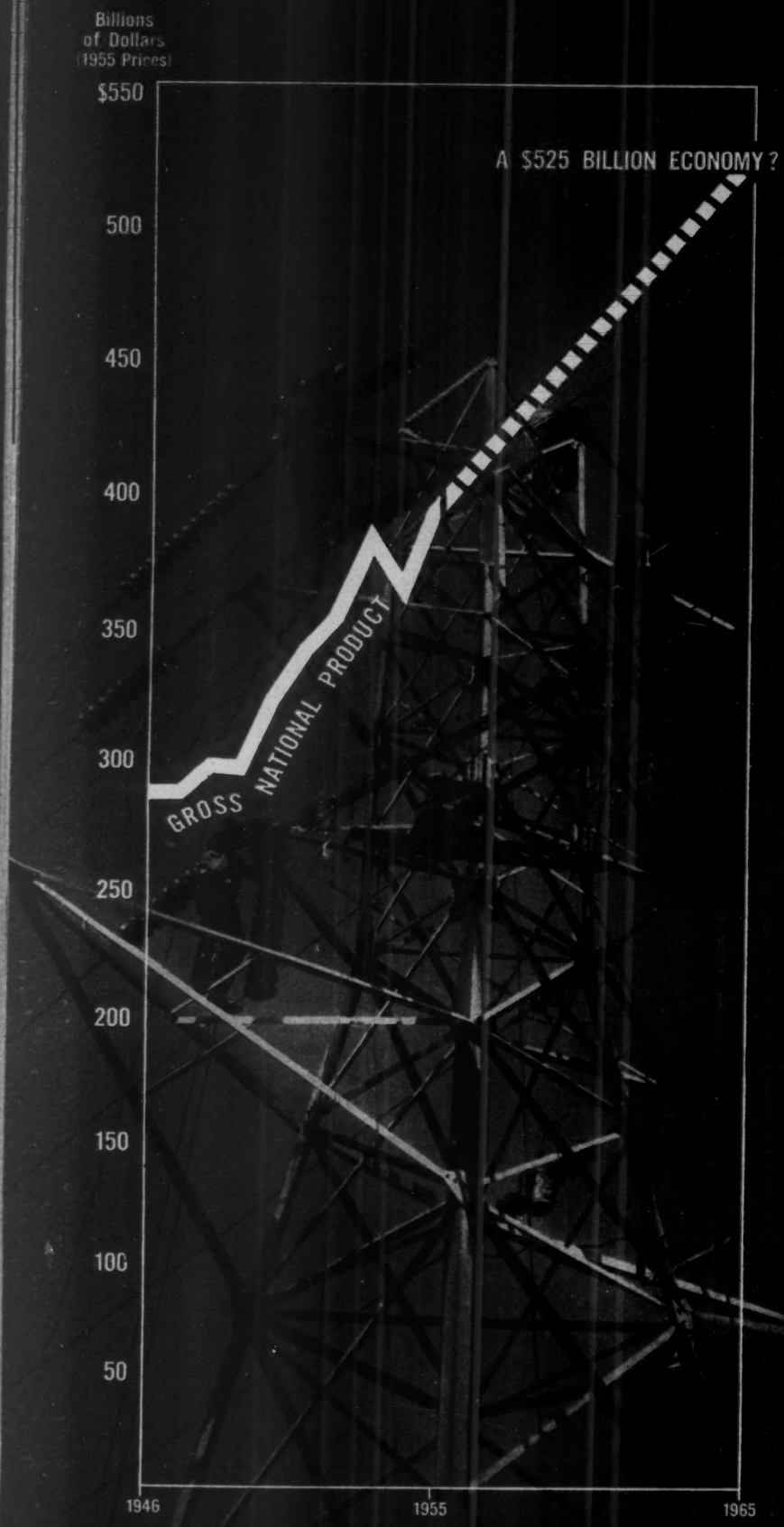

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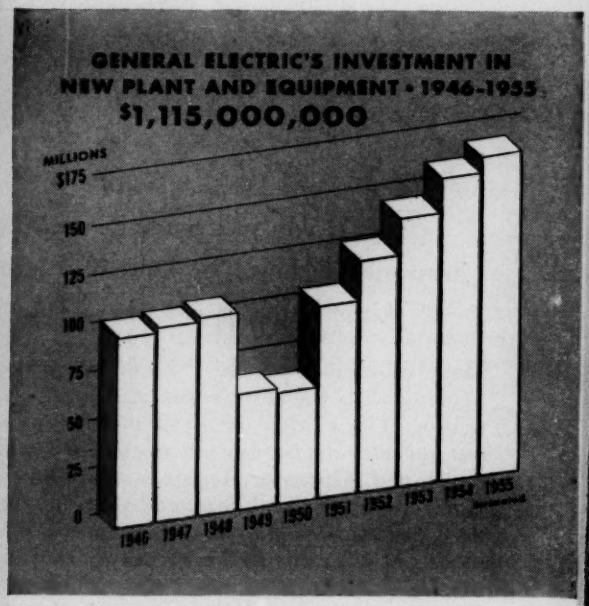
By 1965, there will be 192 million Americans—27 million more than there are today. Forecasts indicate they will demand 40% more goods and services than the country will produce in 1955 and we expect them to want twice as many electrical products.

These prospects are encouraging for the nation, but they are challenging, too: there is nothing automatic about prosperity. The $525 billion economy possible in 1965 will be reached only if there continues to be bold, long-range planning and preparation. In our opinion, American businesses, large and small, have the judgment and initiative needed to meet the challenge.

General Electric, for example, has invested more than $1 billion in plants and equipment since World War II—$165 million in 1955 alone. On these pages are some of the steps we are taking to help provide the products, the jobs, and the standard of living hoped for in the next few years.



If you would like us to reserve a copy of our 1955 Annual Report, with an account of our preparation for the future, write to General Electric, Dept. E2-119, Schenectady, N. Y. Your copy will be sent to you early in 1956.

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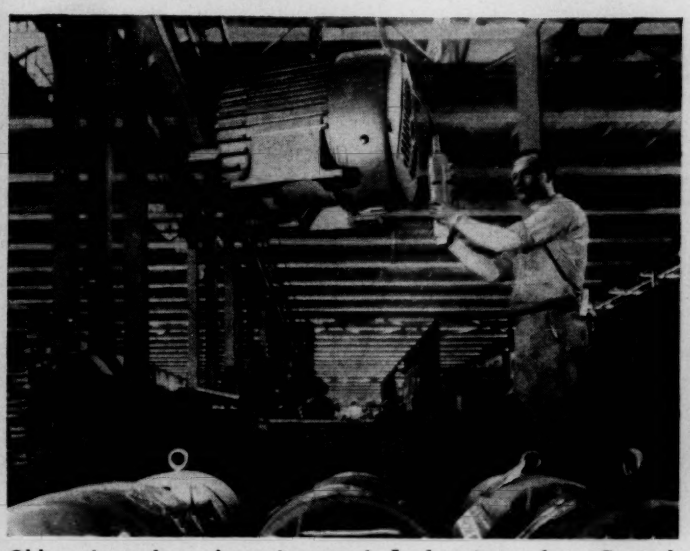
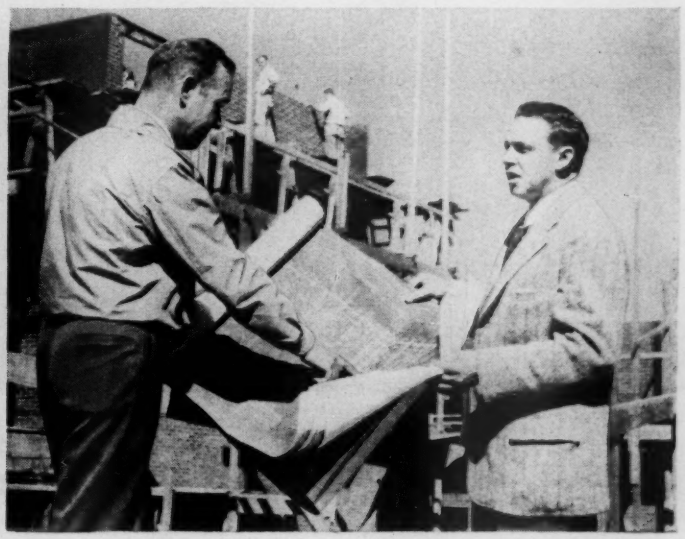


Older plants have been improved. In locations where General Electric has had plants for many years—such as Lynn and Pittsfield, Mass.; Erie, Pa.; and Fort Wayne, Ind.—we have a continuing program of plant improvement. In Schenectady, N. Y., for example, we have completely modernized a 4-acre electric motor factory (above) as part of an $80 million improvement plan for our plants in that city.

43 new plants have been added by General Electric since 1946, so that we now have manufacturing facilities in 105 cities in 28 states. This investment has resulted in new jobs and new payrolls to dozens of communities. In Anniston, Alabama, for instance, General Electric's new television-tube plant (above) created 2,000 jobs and brought to Anniston its first major industrial payroll since 1947.

12 new laboratories have been opened. In today's technological age, research creates new products and jobs. 70,000 General Electric employees today are working on products we didn't make 15 years ago. One recent example: Man-made diamonds, produced by a 1,000-ton press in our Research Laboratory (above), will mean future jobs at General Electric's Carboloy Department in Detroit.



Manpower development programs have expanded. Each year, more than 25,000 employees take advantage of Company-conducted training programs. The most recent step taken to assure men of leadership is General Electric's Management Research and Development Institute. (Above, right, Marc A. deFerranti of G.E.'s Manager Development Consulting Service reviews construction progress.)

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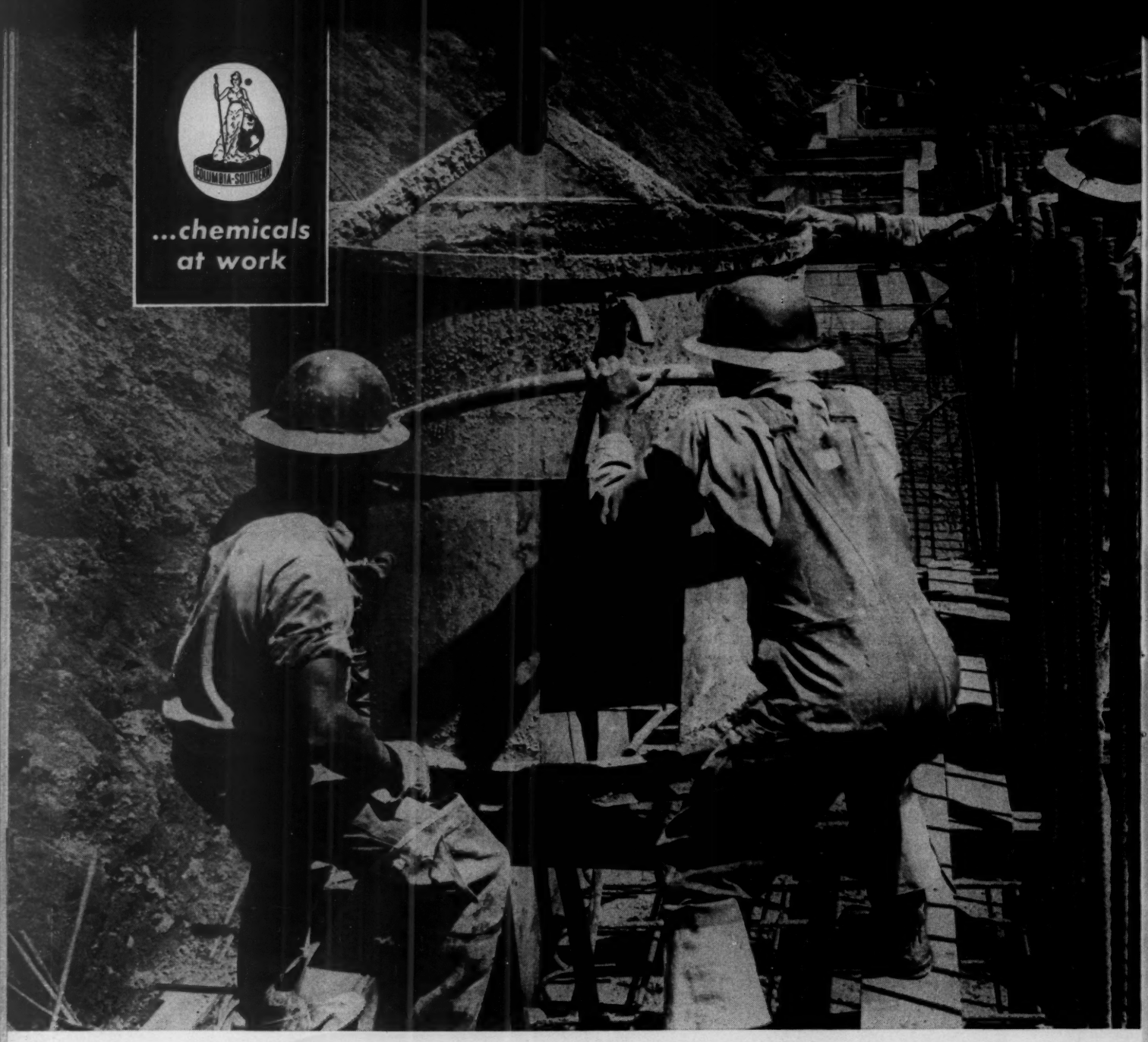

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FROM THE CAPITALS OF THE WORLD

CAIRO....WASHINGTON....BONN....LONDON....

>> U.S. is up against a new and baffling situation in the Middle East. Here are some of the more important facts in this situation:

Soviet Russia is clearly in the Middle East to stay. It would take a war to dislodge Soviet power from the area now. No war of this kind is in sight.

Russia is in position to demand a voice in big-power management of the Middle East. U.S.-British monopoly has been undermined.

Military pacts can't be relied on to keep Soviet Russia out of an area. A Middle East defense pact didn't stop Soviet arms from reaching Cairo.

British evacuation of Suez, demanded by Egypt, encouraged by U.S., turns out to have been expensive. It left a power vacuum for Russia to move into.

And yet: U.S. stake in the Middle East is huge. It involves not only oil but also a vital defense position affecting much of Asia, Africa and Europe.

>> How Russia got into the Middle East is a story in itself.

One version, offered by Premier Nasser of Egypt, is as follows:

"We waited three years to get arms from the West, but they never came, while the West continued to build up Israel....I could be patient until Israeli aggression on the Gaza Strip last February 28, but after that I could no longer be so....So I got arms where I could get them, without conditions....

"I went to the Russian Ambassador and asked if the Soviet Union would sell us arms. I thought they would say no, but four days later he came back and said they had no objection."

In June, Nasser says, when he told U.S. and Britain that Moscow was willing to sell arms, London and Washington "thought I was bluffing, but I was not." And after a British "threat" to cut off arms aid to Egypt, "I was left with no alternative but to proceed with my negotiations with Russia."

>> Nasser's version of his deal with Moscow, however, omits these facts:

Soviet agents, it is now known, have long had valuable contacts among Egyptians close to Nasser, including members of the Egyptian Army.

Moscow's men began urging Egypt to buy Soviet arms right after the clash between Egypt and Israel in February. This clash had shown up Egyptian arms as inferior. Moscow promptly offered better arms at cut rates, on easy terms.

All this was very hush-hush, out of sight. At the same time....

Publicly, out in the open, Moscow suddenly began showing interest in the Middle East. Molotov warned Iran not to join up with the West. Bulganin offered to guarantee the neutrality of all Middle Eastern states. Nasser was invited to visit Russia. Soviet propagandists opened a big headquarters in Cairo. More trade with Moscow and Peiping was urged. Soviet economic aid was promised.

(over)

So the arms deal between Egypt and the Soviet bloc is just one of a series of moves Moscow has been making that involve the whole Middle East.

These are facts about the deal that appear to have escaped Nasser.

>> What made the arms deal possible in the first place, however, was British withdrawal from the Suez. At the time this was demanded by Egypt, it seemed like a good idea to the U.S., one certain to deprive Moscow of a propaganda advantage. The fact that Britain's military withdrawal created a vacuum in the Middle East was overlooked--except by Soviet Russia.

Western diplomats, as a result, are now having some second thoughts about past U.S. pressure on Britain, France and Holland to pull out of key areas in Asia and Africa. Results, so far, have benefited Russia more than the U.S.

>> In Bonn, outlook is for a tense, difficult time with Soviet Russia.

Molotov's threats at Geneva are just one indication.

A clearer sign of what's ahead is provided in the way Moscow has lived up to its promise to send German war prisoners back to West Germany.

To bring you up to date on this Soviet promise....

Premier Bulganin, when Chancellor Adenauer was in Moscow, promised that 9,626 German prisoners in Russia would be allowed to go home. This promise was made only after Adenauer agreed to open diplomatic relations with Russia.

Prisoners began reaching Germany October 7. The first arrivals created great excitement and deep satisfaction among the Germans. Relatives of those prisoners yet to come waited hopefully and confidently for their return.

After two weeks, however, the flow of returnees suddenly stopped, with nearly half of the total number of prisoners still in Russia.

The Germans wondered, uneasily, what Moscow was up to.

>> The answer, now coming to the surface in Bonn, seems to be this:

Moscow has been holding back German prisoners for bargaining purposes.

One Moscow demand is that Moscow, not Bonn, should determine how big the staff of the Soviet Embassy in Bonn is to be. Moscow wants an extra-large staff.

Another demand has forced Bonn to accept as Soviet Ambassador a man the Germans don't want--Valerian Zorin, who helped Moscow take over Czechoslovakia.

Germans, balking at these demands, have been made to feel Soviet pressure in a way that can hurt. The return of German prisoners has been halted, and the responsibility for it is being put on Bonn, rather than on Moscow.

To Bonn, the price of diplomatic relations with Moscow begins to look high.

>> British officials who have long scoffed at American concern over spies and secret documents are embarrassed. For in London.....

Secret files on British criminals are missing from Scotland Yard.

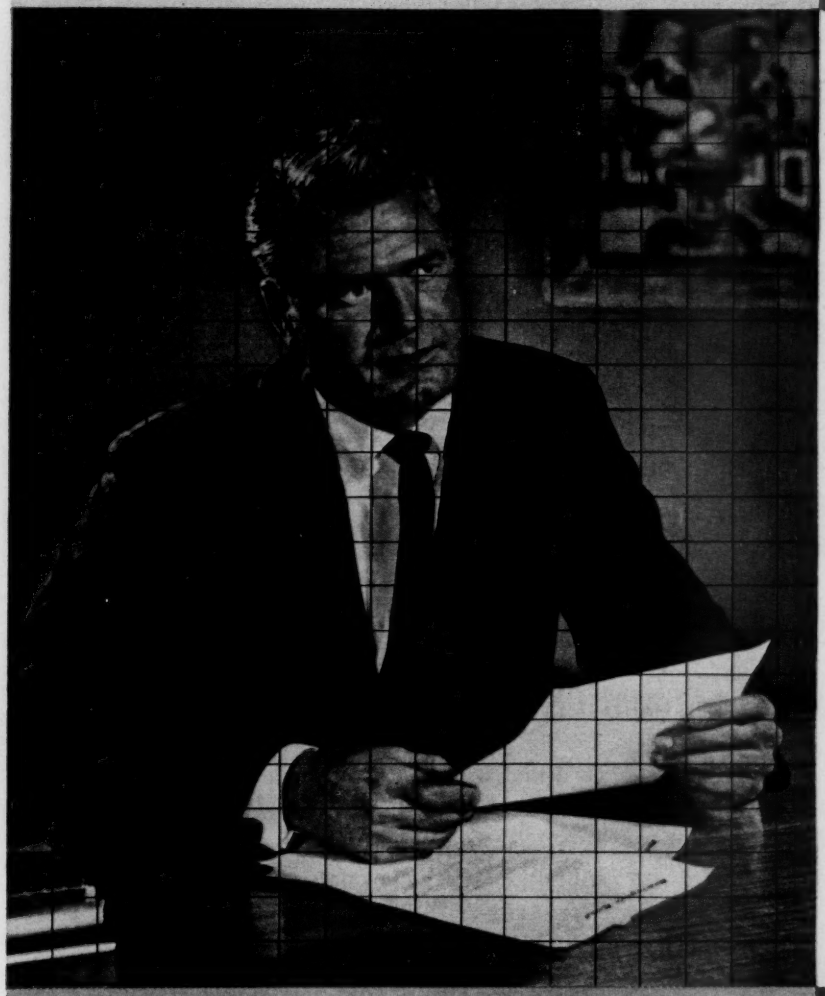
Official explanations on Burgess and Maclean, the two British diplomats who apparently became Soviet spies, have failed to do much explaining.

MI-5, Britain's supersecret espionage agency, is itself under fire.

British security is under critical examination of a kind that the British have rarely experienced. The Foreign Office, particularly, is on the spot.

Even the London "Times," slow to criticize a Conservative Government, has opened fire. In an editorial entitled "The Ostriches," the "Times" asks for "pledges that new security checks in the Foreign Office...are really effective."

how do you rate an executive?



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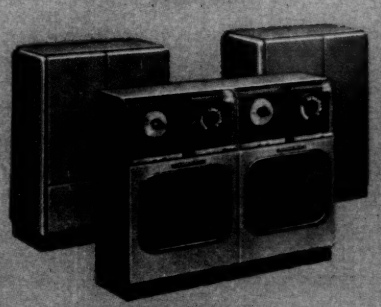

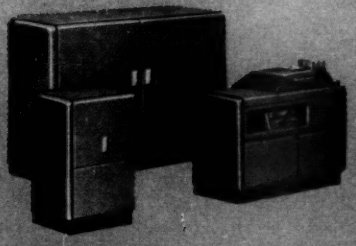

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THE MAN ... Senator Knowland **THE NEWS** ... Key to '56?

California Test May Be the Big One

A vigorous claimant to much of the "Taft wing" of the Republican Party, Senator Knowland is maneuvering toward a key position in the 1956 Convention. This tells how his strategy shapes up.

WILLIAM F. KNOWLAND, California's bluntly independent Senator, is making plans that may place him in a powerful position when the Republican Party chooses its presidential nominee, nine months hence.

Senator Knowland himself is to be a candidate. As such, he finds some formidable obstacles in the way. But, if the prize should elude him, the Senator still might be able to influence important decisions of the Convention.

This prospect arises, for one thing, from the importance of California's big 70-vote bloc of Convention ballots. To command them, however, Mr. Knowland first must straighten out, in his own State, a tangled political skein involving a presidential primary and, perhaps, a head-on collision with Vice President Richard M. Nixon.

For the rest, Senator Knowland's friends are counting on support from the more "conservative" wing of the party, from leaders who once rallied to the late Robert A. Taft. These leaders are to have numerous Convention votes at their disposal. Mr. Knowland is a Taft protégé. Mr. Taft personally selected the Californian for Republican Floor Leader in the Senate.

Waiting for Ike. Like most Republicans, Mr. Knowland is waiting just now for President Dwight D. Eisenhower to declare his intentions. Unlike most, however, he is openly urging that the President announce his decision at an early date, so that others can get going.

With typical forthrightness, the Senator says there should be no "heir apparent," that the President should do nothing to influence the selection of a nominee. That would leave the field wide open and put Mr. Knowland in a position to go ahead.

Plans are that Senator Knowland would announce his candidacy, discuss issues in his usual candid and independent fashion. He also would enter presidential-primary elections in the East, the Midwest and California. In his home State, the conflict with Mr. Nixon, long in the making, would be settled by a primary contest, at least so far as 1956 is concerned.

California muddle. Mr. Knowland's friends say he intends to enter the California campaign, regardless of the plans of Mr. Nixon or of a third figure who has complicated the situation, Governor Goodwin J. Knight.

Governor Knight has announced that he will seek control of the California delegation as a favorite-son candidate. If successful in the primary, he says, he will release the delegation to vote as it pleases after the first ballot.

—United Press

SENATOR AND PRESIDENT
Mr. Knowland wants to know Ike's plans

Many California politicians think the Governor's purpose is to reinforce his somewhat shaky control of the Republican organization in California. In that control, Mr. Knowland is loosely allied with Mr. Knight, and some think the Senator has more support among party leaders than does the Governor.

Thus, the Knight candidacy could be aimed as much at Mr. Knowland as at Mr. Nixon. The latter has been excluded from top party councils in the State. In August, 1954, with Senator Knowland's help, Governor Knight succeeded in defeating a Nixon-faction candidate for vice-chairman of the State committee.

On the surface, then, prospects seem to be for a three-way battle. Some highly placed Republicans, fearing that this would be ruinous for the party in the State, are trying to find some formula for preventing such strife. They hope that, in the end, they can persuade Governor Knight to withdraw. But, for the time being, he shows no signs of yielding.

Preponderant opinion is that, in a three-way contest, Mr. Nixon would win, with the adverse vote divided between the Governor and the Senator.

In a race limited to Mr. Knowland and Mr. Nixon, there are many who think a Nixon defeat entirely possible, especially if Governor Knight, a compelling vote getter, should pitch in on the Senator's side.

Defeat, for either, would be a crushing blow. It is considered axiomatic that a candidate must have the support of his own State delegation.

While Senator Knowland in recent weeks has been making many speeches up and down the State, and Governor Knight is always campaigning, Mr. Nixon has been saying nothing. In the end, he

(Continued on page 76)

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Knowland's foreign policy differs from President's . . .

might avoid the California primary contest by pleading that, with Mr. Eisenhower ailing, duties compel his presence in Washington.

This would mean, however, a California delegation headed by Senator Knowland or nominally controlled by a Governor more inclined to swing the State's 70 ballots to the Senator than to the Vice President. In any event, Mr. Knowland is ready to enter the contest at the right moment, prepared to throw all of his considerable energies into it.

Party's Floor Leader. The Senator, 47, big and brawny, intently serious, seldom smiling, is known as a man who drives directly toward his goals, who speaks his mind, regardless of party or, even, White House restraints.

As Republican Floor Leader in the Senate, he is one of the small congressional group that in the past met weekly with the President. On domestic issues, he has, in most cases, gone along with the Administration, worked hard to push its ideas through the Senate.

The Senator, however, has been independent in foreign affairs, especially as they relate to the Far East. Repeatedly, he has urged a more vigorous policy there than the Administration has been willing to undertake.

At one point, he wanted a blockade of Red China during and after the Korean war, to force the liberation of American airmen held prisoner. He has criticized the Korean truce as smacking of a Munich.

Senator Knowland has visited Formosa several times, and constantly urges more support for Chiang Kai-shek's Nationalist Government.

The Senator stoutly opposes any "concessions" to the Communists, anywhere. He has served notice that, if Red China is admitted to the United Nations, he will resign as Republican Floor Leader to devote his energies to severing relations between the United States and the U. N.

These attitudes—plus the fact that he voted against "condemning" the activities of Senator Joseph R. McCarthy (Rep.), of Wisconsin—have gotten Senator Knowland much support among the more "conservative" leaders of the party. Their votes, from Ohio, Illinois, Wisconsin, perhaps Indiana, and from scattered Western States, would be expected to bolster him at Convention time.

The Senator's ideas, however, have not been calculated to endear him at the White House. Most politicians would agree that, if President Eisenhower should designate the man he thinks best fitted to succeed him in the Presidency, Mr. Knowland would not be named,

. . . California Senator has years ahead for politics

where Mr. Nixon might. In the latter event, the consensus is that opposition to the Vice President would cease, in California and elsewhere.

The Senator. Mr. Knowland was born to wealth, the son of the publisher of the influential *Oakland Tribune*. He attended the University of California, went to work on the *Tribune*, and, at 24, turned to politics.

With the backing of the organization of Earl Warren who from 1943 to 1953 was California's Governor, his rise was rapid. He served in both houses of the State Legislature. In 1938, he became the State's Republican National Committeeman. He was named to the National Committee's executive committee in 1940 and, the next year, became executive-committee chairman.

World War II took Mr. Knowland into the Army. In 1945, while still in uniform, he was appointed by Governor Warren to fill a Senate vacancy. The Senator won the office for himself in the elections of 1946 and 1952.

In 1952, Senator Knowland captured the nominations of both major parties, under California's cross-filing system. Thus assured of re-election, he traveled with Mr. Eisenhower, rather than campaigning for himself. In the general election, he was given a record outpouring of 3,982,448 votes.

In the Congress that followed the 1952 election, Senator Knowland became chairman of the important Republican policy committee. Meanwhile, Senator Taft, the Republican Floor Leader, had marked the young Californian for even more important duties. With his own health failing, Mr. Taft personally selected Mr. Knowland as acting Floor Leader. After Mr. Taft's death, Senate Republicans unanimously elected Mr. Knowland to the post of Floor Leader.

At 47, Mr. Knowland has time left for lots of politics. At 42, so, too, has Mr. Nixon. Regardless of the outcome, Mr. Knowland will continue in the Senate, awaiting another presidential year. If Mr. Nixon loses out, however, he will be out of office and perhaps seriously handicapped in another try for the Presidency.

California politicians have seen a clash of these two ambitious and rising young men coming. But they did not foresee it as complicated by the activities of Governor Knight.

Some leaders say that, in any case, if Mr. Nixon obviously is near the nomination, California's support will not be withheld. But, until Mr. Nixon achieves such a status, a battle is on, with Senator Knowland powerfully in the thick of it.

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Moscow's Goal:

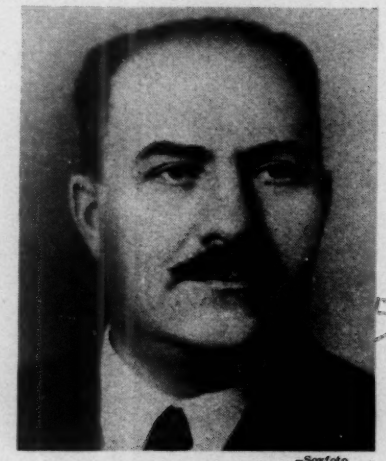
"COMMUNISM WILL WIN IN THIS CENTURY"

When an old Bolshevik speaks out, this is what you find—

- **Communist goals haven't changed, and they aren't going to.**
- **The Revolution is still on. Reds are determined to rule the world.**
- **They intend to destroy capitalism before the end of this century. Talk of "relaxing tensions" is just window dressing to mask real Communist objectives.**

A veteran Red leader, Soviet Deputy Premier Lazar M. Kaganovich, lays down the line in this Moscow speech to party officials. It's the same old line—world domination.

Following are extracts from an address by Deputy Premier Kaganovich on Nov. 6, 1955, as transcribed from the Moscow radio and translated:



—Sovfoto

LAZAR M. KAGANOVICH

Comrades, one may say without exaggeration that there has been in the history of the world no event more important for the fate of mankind than the October Revolution. Never before did the class struggle assume such a profound character or the wave of this struggle rise to such a height as in October 1917.

In bourgeois revolutions, the popular masses, with whose hands and blood these revolutions were carried out, achieved very little. One form of exploitation was changed for another form, but exploitation itself remained because private property remained secure as far as means and implements of production were concerned.

In order to destroy exploitation it is not enough to perceive its injustice; it is not enough to protest against it; it is not enough to make plans for a socialist reform of society as did the great socialist utopians. One must remove the root of exploitation.

It is for this reason that the great Marx and Engels stressed that, for a Communist, the matter in question is not a change of private property, but its elimination; not a slurring over class contradictions, but the annihilation of classes; not an improvement of existing society, but the creation of a new society.

Today, on the day of the 38th anniversary of the great October Socialist Revolution, we, the Communists and the entire people of the Soviet Union, are proud that we have implemented with honor this behest of the great teachers of the proletariat, Marx and Engels.

Under the leadership of the Bolshevik Party and its leader of genius, Lenin, the proletariat and the toiling peasantry destroyed the landlords' and capitalists' property and their state, won the Soviet power, transformed the society on a fundamentally new basis, and successfully built socialism in our country.

The 38-year-long experience of the multimillion Soviet people has proved in practice the advantages of socialist ownership over capitalist ownership, which has historically outlived its span of life.

° ° °

The great October Socialist Revolution has raised our motherland to a world level. It has made it great in the eyes of the whole world; has made it into a flourishing revolutionary force, a shining beacon lighting the way for mankind toward the creation of a new society free from oppression, enslavement and exploitation.

° ° °

For this reason precisely the October Revolution had and still has supreme international significance. It has exerted and continues to exert an increasingly decisive influence on the course of world events, on the historic destiny of mankind—and primarily of the working class. Today hundreds of millions of ordinary people of the world realize with all their souls the greatness and the historic significance of the October Revolution.

The Soviet people, patriots who love their motherland, have always been, are, and will continue to be proletarian internationalists. Therefore no one will ever be able to break the close bonds linking the Soviet people with the broad people's masses, with the working classes of all countries of the world. [Applause]

This does not, of course, mean that our state, created by the October Revolution, interferes in the domestic affairs of other states. The propagandists of such affirmations should know that our great teacher, Lenin, said on the subject of the export of revolution: "There are people who believe that revolution can be brought into being to order in any country. These people are either lunatics or provocateurs."

Exposing those who took this position and spoke of the need to wage revolutionary war, Lenin wrote as far back as 1918 that such a theory runs counter to Marxism, which always has rejected the stipulation of revolutions. They arise as a re-

. . . "Revolutionary ideas know no frontiers"

sult of the advanced stage of development of the class contradictions which cause revolutions.

Imperialism itself is the stimulator of revolutions. As class contradictions become more acute within each country, so the working class and the working peasantry rally together. There appear the country's own leaders and organizers, who have not been imported from abroad, as represented by the slanders. The striking force of the working class—the revolutionary party—is organized and tempered in battle. Revolutionary ideas know no frontiers; they travel throughout the world without visas and fingerprints.

When Marx and Engels issued the "Manifesto of the Communist Party" there were no radios, no telephones, no airplanes. But the immortal ideas of Marx and Engels penetrated into all corners of the world and into the consciousness of the working masses of all countries of the globe. [Applause]

All the more so in the twentieth century, the great ideas of Marx, Engels, Lenin, and Stalin, which have gripped the masses, have been and will be victorious. [Applause] If the nineteenth century was a century of capitalism, the twentieth century is a century of the triumph of socialism and communism. [Applause]

It is precisely the strength of these ideas that explains the fact that in October, 1917, our party, which had only 240,000 members—a drop in the sea of the people—led millions of workers and peasants to storm capitalism, to defeat capitalism and the landowners. [Applause] The working class and our whole people realize full well to what inspiring and organizing force they owe the victory of the October Revolution and all their other victories. They know that this force is the great, heroic Communist Party of Bolsheviks. [Applause]

The experience of our Revolution has shown that the centuries-old struggle of oppressed and exploited workers could not lead to victory without the proletariat. Yet even if a working class did exist, there could be no victory without the revolutionary Communist Party, armed with progressive Marxist-Leninist theory and closely tied with the workers.

The strength of our party lies in its devotion to its principles, in its always being with the workers in their sorrows and in their joys. It has been teaching the workers and it has been learning from them.

An iron will and an indestructible faith based on Communism, on the rightness of one's cause, were needed. The greatest devotion to the working class and the people was needed in order to cover within the space of 50 years such a glorious and victorious path as that covered by our own Communist Party. [Applause]

This is why the entire Soviet people speak of our party in the words of the great Lenin: "We believe in it and we see in it the honor and conscience of our epoch." [Applause]

If we recall the whole bitter, hard history of the workingman—what was the ordinary man? It went without saying that he was of the lower order, so created by God, and that he should remain so forever.

If we look at what our Soviet man has become, we see him as a cultured, progressive master of his country, imbued with feelings of personal dignity and pride in his beloved socialist motherland. It then becomes clear why all ordinary people in our country so ardently love and revere our great Communist Party. [Applause]

* * *

Comrades, the October Revolution is a bright and forceful manifestation of colossal popular energy accumulated in the course of centuries, and it will emit its strength for centuries to come. Every year we view the path of struggle we have traveled; we derive from this deep well of popular wisdom energy and creativeness, new strength for the further struggle for the future, for the coming new victories of Communism.

Under the banner of the great October Socialist Revolution, under the banner of Marx-Engels-Lenin-Stalin, under the leadership of the Communist Party and its Central Committee, we have been victorious and we will be victorious. We have marched and we will march forward—and only forward—to the complete victory of Communism! [Loud and prolonged applause and cheering]

—Sovfoto

THE OCTOBER REVOLUTION

Mr. Kaganovich: "We have been victorious and we will be victorious"

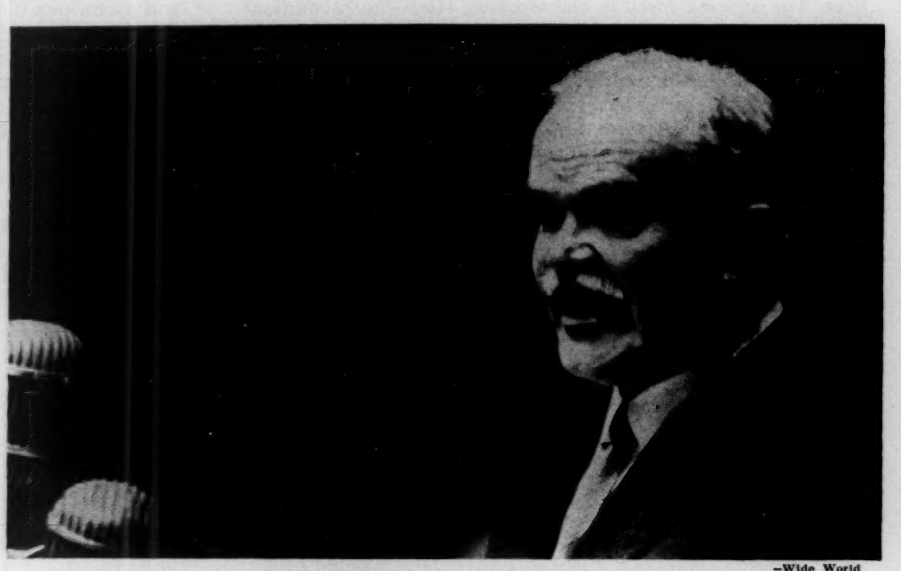
WHAT'S HAPPENED TO THE "GENEVA SPIRIT"

Molotov Used It, Then Forgot It

Geneva Conference shows where East and West stand now—about where they did except for one big gain by Moscow.

Germany is still split. Disarmament is as far away as ever. "Cold war" is still on.

The only major change: Russians have a foot in the Middle East that they didn't have before the "Geneva spirit" began.



—Wide World

FOR RUSSIA: V. M. MOLOTOV
He has his orders, and they are clear

GENEVA

What you come up with from the latest talks with the Russians is this:

• The "cold war" between East and West is to go right on. The Communist bosses will do business only on their own terms—and terms haven't changed.

• Agreement on Germany's future can be forgotten for as far ahead as the diplomats can see. Soviet Russia has no intention of giving up East Germany. Real aim, instead, is to force U. S. troops out of Europe and add West Germany to the Communist world.

• Disarmament is out. The only kind of disarmament that Moscow will have any part of is a kind that will leave the Russians with clear superiority in both weapons and manpower.

—United Press

FOR THE WEST: MACMILLAN, PINAY, DULLES
The historical view is discouraging

• The "spirit of Geneva," adopted enthusiastically by the U. S. and its allies as a show of reasonableness by Moscow, was actually used by Communists to mask a move into the Middle East. The Russians are in there now—and they intend to stay.

• So-called "cultural exchanges" between East and West are to be encouraged by Moscow—on Communist terms. The Russians want to get all the Western know-how they can in fields where the Soviet Union lags. They want to get any trade that will add to Russia's strategic stockpiles. But they intend to block every attempt to communicate Western ideas to people living under Soviet rule.

To find out what Moscow's rulers really mean by the "spirit of Geneva," Western experts have spent weeks studying the actions and attitudes of one man—V. M. Molotov, the tough old bargainer from the Kremlin.

Watching Molotov at work, what you see is a drab little man in a gray suit. He shuffles papers constantly, as though he'd lost something. He smokes cigarettes chain fashion—lighting them noisily with big wooden matches. Molotov walks briskly. Always, he is flanked by aides who trot at his side, their Russian shoes squeak-

ing like crickets in the evening, their bell-bottomed trousers flapping like laundry in a summer breeze.

Analyzing a phrase. But appearances mean nothing. It is what Molotov does when the time comes to substitute deeds for words that shows exactly what the "Geneva spirit" means in Moscow. Here is a sample of Allied definitions:

An American at Geneva—"It seems to mean fewer verbal insults [Molotov has dropped his pet word, "warmonger"] and more propaganda about peace. But it's still the same cold war."

A Frenchman—"It's a bright new collar for the same dangerous bear."

An Englishman—"It's rather like trying to share a flat with a pickpocket who keeps saying he's reformed, but keeps trying to pick your pocket anyway."

A German observer—"It means nothing."

What happened at this Geneva conference puts a new light on the earlier meeting that brought President Eisenhower together with the heads of Britain, France and Russia for last summer's Summit Conference.

There, the Russians were all sweet reasonableness. There was a cordial exchange of personal letters between the President and Russia's Defense Minister, Marshal Georgi Zhukov. There was agreement to try to do something about Germany in particular and world disarmament in general.

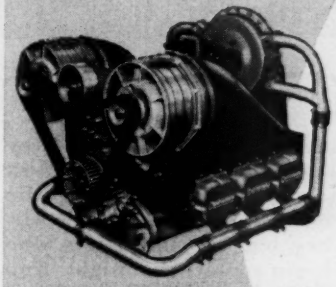
The big point to Moscow, however, was nuclear weapons. The Russians knew that in atomic firepower they were no match for the U. S. When, at the Summit Conference, both sides declared atomic warfare "unthinkable," the Communists became convinced that the West was giving up its chief means of keeping them in check—the deterrent power of its atomic stockpile. To Moscow this meant a free hand in Europe and Asia. It was the big payoff of the "Geneva spirit."

With Arabs: a side deal. What the U. S. and its allies discovered later was that the Russians had organized a double cross even before the meeting with President Eisenhower. While one set of Soviet negotiators was in Switzerland discussing disarmament, another set was in the Middle East making an arms deal with Egypt, offering assistance to other Arab nations and getting the Soviet Union firmly planted in that part of the world.

Soviet preparations for the move into the Middle East were carefully made in advance of Geneva. Weapons were put aboard and made ready for shipping on Soviet freighters even before Egypt's arms contract with Czechoslovakia was announced. Broad arrangements of credit for arms and trade were offered by the Soviet Union and satellite countries long

(Continued on page 84)

CONTINENTAL AIRCRAFT POWER



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On Sept. 13, 1955, a Cessna CH-1 helicopter settled to a landing on the summit of Pikes Peak, something no aircraft of any type had ever done before. Then, after taking a third passenger aboard, it successfully finished hovering tests begun earlier in the week, including a climb to an indicated altitude of 17,600 feet above Colorado Springs. At Camp Hale, it hovered with 50 gallons of fuel and four persons aboard—a phase of the test considered especially noteworthy, since it took place at a season when all flying operations in the area are normally suspended because of extreme turbulence at this high altitude . . . These latest tests add to the already fine performance record of the fastest certified helicopter in the United States. The characteristics demonstrated in the Colorado workout speak volumes for the power plant, too, and what they say has real meaning for all who own or fly utility planes. They underscore the wisdom, now more apparent than ever, of choosing a plane which gives you dependable Continental power.

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(Based on Company File #H54-25820)

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We turned in an alarm at once. But by the time the fire was under control, our one-story building was badly damaged, and our food freezer equipment knocked out.

My partner meanwhile had called our Hartford Agent. He said not to worry. The Agent got hold of the local adjuster and the two of them were at the store within an hour.

Sizing up the situation, they authorized immediate repairs. Most important, naturally, were the structural work and the electric wiring. They located contractors who could begin repairs that night. And both agent and adjuster spent all day Sunday on the premises. Under their watchful eyes, the work moved right along.

Thanks to this splendid help, we were able to reopen Monday morning. "Business as usual" — just 36 hours after the fire!

No lost time here. No lost motion.

There are situations, of course, that take longer than 36 hours to straighten out. But prompt service is always a Hartford objective.

For the dependable protection *you* need—combined always with the Hartford type of time-saving, useful service—call your Hartford Agent or your insurance broker *today*.

Year in and year out you'll do well with the

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Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey . . . *Hartford 15, Connecticut*
Northwestern Fire & Marine Insurance Company
Twin City Fire Insurance Company . . . *Minneapolis 2, Minnesota*

[continued] **WHAT'S HAPPENED TO "GENEVA SPIRIT"**

before a single trade deal was negotiated. Once the announcement of the Egyptian arms agreement was made, Soviet penetration into the Middle East moved fast, and in half a dozen directions.

By the time Secretary of State John Foster Dulles, Britain's Foreign Secretary Harold Macmillan and France's Foreign Minister Antoine Pinay arrived in Geneva for their talk with Molotov, they discovered that the Russians already had made what use they could of the "Geneva spirit"—and were ready to forget it rather than give up anything.

Molotov showed up in his old familiar role as wrecker. After just a few sessions, one Western diplomat remarked:

"At this Conference, Molotov has slammed several doors tightly shut and has opened a few small windows through which other Soviet leaders can continue to smile and receive any nourishment handed to them. But Molotov has his orders, and they are clear."

The orders, stripped of oratory, go about like this:

- Moscow wants no part of any deal that will reunite the two parts of Germany now. Free elections for the East Germans are out. East Germany is a highly prized satellite, and Molotov's instructions are to keep it that way. There will be no deal to merge East Germany and West Germany until the Communists are convinced they can control the whole area.
- As for disarmament, the primary objective on Molotov's instruction sheet is to wreck the North Atlantic Treaty Organization. As a starter, he would like to see Allied troop strength in Germany cut in half. Eventually he wants all Western troops out of there. Then he would absorb NATO into a European security system that would give the Soviet Union a powerful voice in determining whose troops go where.

The "gentle" cycles. Using a pose of friendly co-operation as a means to collect benefits for Russia is not a new addition to the Communist bag of tricks. The record shows four distinct "gentle" periods since the Russian Revolution—all of them highly profitable to the Kremlin.

Round one: After they took over Russia, the Communists needed outside help to build an industrial base in a backward country. They opened the doors to American engineers, builders, transportation experts, all sorts of technicians during the late 1920s and early '30s. American technology gave the Communists a mighty shove forward in Russia.

Round two: The so-called "popular front" of the '30s was a calculated drive

to make Communists respectable. Revolutionary talk was turned off. Reds were instructed to work with other political parties. The result gave Communists a chance to get deep inside many governments of the free world. Communist parties became so entrenched in such nations as France and Italy that they still hold substantial political power.

Round three: "Co-operation" with the West during World War II and the years immediately afterward gave Moscow its big opportunity to take over almost a dozen countries as satellites, and to set the Chinese Reds on the path to power in Asia. It was only after the satellites were firmly nailed down that Moscow gave up "co-operating" with the West, and dropped the Iron Curtain across East-

—Herblock in the Washington Post & Times Herald

"1-2-3-4-5-6-7-8-9-SPIRIT OF GENEVA"

ern Europe and settled down to years of cold war.

Round four: The campaign for "peaceful coexistence" started shortly after the death of Joseph Stalin. The Kremlin used it to get war-weary Europeans to relax, to nourish a longing throughout the free world for cuts in burdensome defense, to delay German rearmament. They also used it as a screen for their move into the Middle East.

Round by round, Moscow has managed to get more out of each "gentle" period than she put into it. And, once the dividends stop coming in, a quick switch always is made back to toughness. Western diplomats are sure that it is this historical record, as much as what actually happened at Geneva, that prompted Secretary Dulles to conclude:

"I am wondering again whether an agreement with the Soviet Union is worth much."

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Interviews with TWO SOUTHERN SENATORS and A SPOKESMAN FOR NEGROES

Senator Stennis • Senator Ervin Roy Wilkins

THE RACE ISSUE: SOUTH'S PLANS, HOW NEGROES WILL MEET THEM

Now the Supreme Court has raised new bars against racial segregation: in public parks, and on public beaches and golf courses.

Yet it has been 18 months since the Court outlawed separate schools—and most Southern schools are still segregated.

Is the South determined to resist racial mixing? And how can the Court's rulings be enforced if the South stands firm?

For the outlook on mixed schools, the Board of Editors of *U. S. News & World Report* interviewed Senator John Stennis (Dem.), of Mississippi, Senator Sam J. Ervin (Dem.), of North Carolina, and Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People.

Both sides of this important issue are presented in the interviews that follow.

STENNIS: "SOUTH WILL OPPOSE INTEGRATION TO UTMOST"

Senator John C. Stennis (Dem.), of Mississippi, was elected to the Senate in 1947 with the support of many Negroes, and re-elected in 1952.

Born on a Mississippi farm on Aug. 3, 1901, Mr. Stennis attended Mississippi State College and then studied law at the University of Virginia.

In 1928, his first year as a lawyer, Mr. Stennis was elected to the Mississippi House of Representatives.

Mr. Stennis was a district prosecuting attorney from 1931 to 1937. Then he became judge of a Mississippi circuit court, a position he held until he entered the Senate.

Q Senator Stennis, as a Southern Senator, do you think the people of the South will accept the mixing of races in public schools? Or will they defy the Supreme Court?

A "No" is the answer to both phases of your question. The overwhelming majority of the people in most areas of the South do not want to integrate our schools. They will oppose to the utmost any effort to do so, and they will express this opposition by lawful means.

Q If the South refuses to mix its schools, is there any way that the district courts can enforce the Supreme Court's ruling?

A I'm not going to attempt to tell the trial judge what his rulings should be, but, in the words of the Supreme Court decision, the trial judge must give weight to local conditions, reconciling public and private needs, and the school authorities must make a "reasonable" start as to integration.

The Court also recognized that there are a "variety of obstacles in making the transition to school systems operated in accordance with the constitutional principles set forth in our May 17, 1954, decision."

The trial court, I quote again, "may properly take into account the public interest in the elimination of such obstacles in a systematic and effective manner." The Supreme Court did not attempt to say what the lower court could and would do.

If the local people decline to vote the necessary revenue the school authorities can't carry out the court's orders. The same is true if the people abolish the school district, or even abolish the public school itself.

Q Then what will be the result?

A As a practical matter the courts will quickly find themselves trying to operate a school system that they can neither create nor perpetuate. Of course, the trial court would be com-

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A Southern View: "Racial Integrity" Comes First . . . Negroes to Try "Co-operation," Then Lawsuits If Needed

pelled to recognize this situation to start with, and would continue to recognize it, regarding any school district having a case in court.

Gentlemen, the ultimate test of the operation of any given school rests upon the necessity of tax money to pay the teacher and to build a school building. The courts cannot supply this revenue. It must come from the tax revenue supplied by the school patrons through local and State taxation.

WHERE WHITES ARE MINORITIES—

Q What is the racial situation in Mississippi? What proportion of the State's population is Negro and what proportion is white?

A Roughly, 49 per cent colored and 51 per cent white. That's in the State as a whole.

Q But in some parts isn't it overwhelmingly colored?

A Thirty-eight out of eighty-two counties have a majority of colored people. It runs as high as 5 or 6 to 1 in some counties—colored.

Q Is the school population in about the same ratio?

A Yes, generally.

Q Do the same school boards control both the white and the colored schools?

A Yes, they control all the public schools in that district.

Q And the title to the school buildings?

A The title to the school property is in the trustees and their successors in office.

Q How many school districts are there in the State?

A Now, in Mississippi we have about 1,400 school districts, each with separate boards of trustees.

Q Does that mean that, in order to enforce the Supreme Court's ruling, there would have to be legal action against 1,400 separate school boards?

A To bring each of these school districts into court for an effective ruling from the court, they would have to be brought in by suit. That's the only way they can be brought in.

Q Can a court act against a school board on its own motion, without somebody's filing a suit?

A No, the court cannot act on its own motion. The court is limited to cases that come before it—that's fundamental in our jurisprudence as to legal entities. The Fourteenth Amendment is what they are interpreting, and by its express terms it gives the Congress authority to implement the Amendment. Now, when the court has parties before it, it can act on those.

Q Could a federal judge issue a show-cause order to the trustees of a school saying, "Why don't you desegregate?" Would he have that power if no suit is before him?

A I don't think so.

Q Could he summon a grand jury to try to indict somebody, make it a criminal trial?

A I don't think there is any criminal statute that would apply in any way.

Q Then, if no suit is brought in any certain district, nothing can be done to compel school integration in that district?

A That is correct.

Q Do you think that many counties in Mississippi will escape without the filing of a suit that would compel consideration of mixed schools?

A Yes, I do. In a great majority of the counties in Mississippi, for many years to come, I believe no suit will be filed. There will be an understanding and a satisfactory arrangement among the white and colored people rather than leadership from outside groups.

Q And if no suit is filed, the issue never arises—

A That's correct.

"AGITATION AND ACTIVITY"—

Q How much agitation has there been in Mississippi in favor of desegregated schools? Has the National Association for the Advancement of Colored People filed any suits there at all?

A None. No suits have been filed. There has been agitation and activity. The NAACP have come to Mississippi and have held several open meetings. They have invited the colored people to line up with them. But a general response has not been forthcoming.

As an illustration, I have here an open letter from Rev. W. R. Farley, a Negro minister, of Memphis, Tenn., in the *Memphis Commercial Appeal* May 29, 1955. The headline of this letter says: "The South will solve its own problems if left alone."

Quoting his article: "Personally, I feel as most Negroes do—that here in the South we have learned to work together in peace, with good will toward each other, and with each one holding his distinctive place in life."

He gives figures showing the small number of Negro teachers in the North and the large number in the South, and concludes by saying: "Today things are changing in the South. Much is being done to correct past mistakes. Negroes are getting better wages, better schools, better churches, better and more recreational facilities. The Negro race is no different from any other race. But in the South he is different from the Negro in the Northern section of the country, because he realizes, when the going gets rough, he can call upon his white friends for help, and, believe me, this is being done every day. The Southern people have always loved and helped their colored folk."

This is a plea for racial understanding rather than racial agitation.

(Continued on next page)

. . . "The perfect answer—voluntary segregation"

Q It comes from a Negro?

A Yes.

Q Do you think that most Negroes in the South really want to continue with separate schools?

A In the South, with the exception of the largest cities, the schoolhouse is a part of the community. There the white and colored people have and want their own churches; they have and want their own social affairs and fraternal organizations. These go to make up the way of life of our colored people—a way of life which they do not want to give up. As a part of this way of life, they want and need their own schools.

Recently, at a huge mass meeting in a county in Georgia, both white and colored people petitioned for separate schools. This will happen many times over in Mississippi. Our colored people are not wanting mixed schools, they want better schools and time to develop.

LAWSUITS "WILL BE OPPOSED"—

Q Isn't it possible, however, that in a few counties in Mississippi you are likely to run into suits filed by Negroes demanding mixed schools?

A I wouldn't be surprised if a few of the counties in Mississippi are faced with a suit.

Q Where a suit is filed, what do you think will be done?

A It will be opposed in the courts. I don't think there will be any reaction so much outside of the school district affected. That is—

Q It might affect one school in one district and not in another?

A Yes, I think the reaction would be primarily there in the district. Of course, there would be interest and concern elsewhere.

Q Do you think one school might become mixed, when a suit is filed?

A No, I don't think so. I don't know of any thinking that is planning to yield—they are not going to be lawless, they're not going to try to take the law into their own hands, but they will oppose with every legal resource they have—

Q Is there any chance that some kind of start toward mixing schools might be made, some kind of arrangement that would satisfy the courts but nevertheless give the affected communities a sort of breathing spell before actually integrating?

A Our people are not thinking in terms of having mixed schools. They are not thinking in those terms.

Q Not in terms of a breathing spell, either?

A No. They are thinking in terms of preserving their separate schools indefinitely on an improved basis—this progress has been going on for years: better teachers, better curriculum, better transportation. That's the basic thought among our colored people as well as our white people.

You mentioned a while ago the federal judge. Among other things, I hope that he considers what the people of the affected communities—the overwhelming majority of them—really want, all of them, including the colored, the rank and file of the colored people. They want their separate schools.

Q What alternative is Mississippi prepared to offer when faced with a suit to force integration? Could school officials, for example, set up a system of assigning pupils to a particular school not because of race but on the ground that such a school is best for the pupils, individually?

A That's going to be a part of any pattern of assignment to different schools. There will be other related matters.

Q Don't you now have a new law in Mississippi which authorizes assignment of pupils on the basis of "health, welfare and morals"?

A Yes. Now, I don't know whether or not that reason is going to be accepted by the Supreme Court of the United States. But I believe it will be accepted by some of the lower courts until overruled. There will be testimony from many colored people to sustain such a position.

Q Senator, it has been suggested recently by a Negro editor in Mississippi, Percy Green, that a law should be passed to authorize voluntary segregation. Do you think that voluntary segregation would be legal, under the Supreme Court's ruling?

A Yes. I think that, as long as no one complains, it is very clear that it is legal. I know of no law or no principle in law that would require a particular child to go to a particular school unless it wanted to—that is, there is no superior court here that would say that this child must go to this particular school. There is no law that requires the State or subdivision of the State to have a public school.

Q Can one waive his constitutional right?

A In a matter of this kind, I certainly think so—without a doubt.

Q Would it solve this problem in areas such as yours, then, if parents, either white or colored, sign a statement that they are entering their children in a particular school voluntarily?

A I think that would be the perfect answer, myself—from a social standpoint, from an educational standpoint, a legal standpoint and in every way.

I believe that, as far as local taxation to support a school is concerned, you would get the signature of every colored patron in a school district, one right after another, in Mississippi, with an occasional exception, asking for a tax levy to support a school for whites and a school for colored. Again, that's the real place where this thing can be decided, and I think it will be decided.

Q How are Mississippi schools financed?

A The local authorities set the school tax levy in the district and in the county, which is, of course, a substantial part of the school funds. The remainder is voted by the State Legislature. I think as a practical matter for the school to have the necessary lifeblood of taxation money, it must be operated in a manner satisfactory to the majority of the people of the tax district.

This local opinion is a matter that no court or governmental power can control, and in the final analysis will prove, I believe, the ultimate test in this troublesome question.

"LOCAL PEOPLE" MUST DECIDE—

Q What would happen if a suit were brought contending that it is unconstitutional to raise tax money and apply it to segregated schools?

A If the Court should so rule, the people of the local area would be confronted with this question: Shall we continue our public schools? So, again, regardless of court decisions, the question comes back to the local people every time. After all, they are the parents of the children.

I don't think a State can nullify the Supreme Court decision merely by "passing a law," but a State can and should enact laws which will enable a community to provide the type of schools desired by the overwhelming majority of its people.

These laws are subject to review, of course, by the court, but they represent the policies of the people.

Now, laws relating to assignment of pupils, a classification of teachers and pupils, aptitude tests, the control of districts and other related subjects are certainly relevant to the subject. If laws will be passed by various States, the points involved will doubtless be litigated for many years to come.

Q What kind of action would a federal district court be likely to take, in case of a suit, in order to compel an end to segregation?

A Well, the Supreme Court considered these recent cases equity cases. Generally speaking, it would act ultimately by an injunctive process, rather than a criminal process.

Q This would be an injunction in equity, then, that would enjoin a local school board from barring pupils on racial grounds?

A That is correct, I believe. The ultimate decree would be a final injunction.

Q Say, in that event, the trustees resigned—

A The case could be brought so as to be binding on their successors in office, but if the people abolished the district and created another, then an entirely new legal situation would arise, and a new suit would have to be started.

Q All they would have to do would be to keep changing school boards or districts and the decree wouldn't reach them?

A That is a possibility that naturally will be fully explored.

"TRADITIONS OF THE RACES"—

Q Senator, why are the people of the South so firmly set on segregation? What are the basic objections of the South to mixed schools?

A There are several. The traditions of the races are greatly different. The environment and background of the races are greatly different. Actually there are great social and emotional differences that quickly come to the surface when aroused. Their mental processes are different, and I think, and most everyone thinks, that it is far better to have our colored children taught by colored teachers, and white children taught by white teachers. That is a major factor in my thinking on this subject, an overwhelming factor.

And then one of the most compelling reasons is the deep realization that placing the children side by side over the years, in primary, grammar and high-school grades, is certain to eventually destroy each race. I don't know how many generations that would take. And we all believe that the bloodstream—the racial integrity of each group—is worth saving.

And this is one of the main, basic reasons why our people will oppose the mixed schools. They will regretfully and reluctantly abolish their public school systems if necessary to avoid enforced destruction of their own race.

Q Do you think they would go so far as to abandon public schools?

A Yes, I do. They would be reluctant and regretful, but, if necessary, they would take the step.

Q Do you think there could be set up a system of private schools that would work, supported by public funds? Would that be hard to do?

A It would be very difficult to sustain over the years. Yes, it could be started. These people down in [Prince Edward County] Virginia subscribed—at a mass meeting where they had 1,500 people—they subscribed enough money to run for one year. That's not a full solution to mass education, but I think it will happen in great areas if the matter continues to be agitated.

Q The next step would be to attack the use of tax money for such purpose?

A Yes, such a legal question could be involved there.

Q Is there any federal authority that says the States cannot raise taxes for support of private segregated schools?

A Not so far on this subject.

Q Could a federal court cite an entire State legislature for contempt?

A Neither the State legislators nor the Governor can be cited. In order to carry out a local plan they might put the Governor on every school board in the State.

Q You mean that the Federal Government cannot interfere?

A Before we leave that, let me make this statement: I think that this matter is going to come down to people at the local level, and they will see what all is involved, and in great areas of the South they will work out an arrangement among themselves at the local level to maintain their separate schools.

Where they do not, then the Supreme Court is going to be faced ultimately, as I see it, with the question of whether or not they will strike down both the present law with reference to taxation, and also with reference to trying to handle the State legislature and the Governor. I think it will finally come to that.

Q There's been a good deal of talk in the South, and especially in Mississippi and one or two other States, of the ultimate use of the police power to maintain segregation, if that becomes necessary—

A Well, there is no broader term in law than "police power." The reasonable regulation of the affairs of any community to keep peace and order is of course legitimate use of police power. I would not say that a law passed under the police power would, of itself, overcome the Supreme Court decision.

Q It's not completely clear just what some of the leaders down there mean by police power. Do they mean that the Governor, for example, could declare that "if we mingle the races in this particular school we are going to invite civil disorder, therefore we will not permit that"? Could the Governor do that?

A Yes, to meet a given situation that might develop in any school district, I think that would be proper use of police power.

Q And the Governor is beyond the reach of the Supreme Court—

A Yes, while acting as the chief executive of a State he is beyond the Court's power.

HOW TEACHERS ARE GRADED—

Q If you did have integrated schools, would a good many colored teachers lose their jobs?

A Yes, we have almost 7,000 Negro teachers in Mississippi, and Georgia has over 7,300.

Q Are they paid today approximately the same as the white teachers?

A In many States, yes. In Mississippi, we have a standard-qualifications test in our law, and all teachers are graded according to those qualifications, and under it will receive equal standards of pay. This goal is now achieved, but has not always been the case.

(Continued on next page)

. . . Stennis: Court decision means "a generation of lawsuits"

Q Are the school plants for Negroes being improved?

A That process has been going on, although they are not equal now in all places.

Q Senator, from what you say, it appears that integration of the schools is not going to come very fast in the South—

A I don't think so as to great areas.

Q Then, to all intents and purposes, will the Supreme Court decision actually be a dead letter?

A Well, I expect a great deal of agitation about it, and it's very seriously considered by the people now. They are groping for a solution for their problem, and they are going to keep on trying.

Q But their solution is not the Supreme Court's solution?

A No, no. There will be much litigation.

I think the terrific impact of this problem will be felt and be reflected in the lower courts' opinions, and will also be reflected in the Supreme Court, in dealing with this problem over the years. There's going to be no quick change.

Q You think the Supreme Court is going to have to face the question again, then?

A I certainly do, in the light of newly developed facts.

Q So, does it boil down to the likelihood that nothing much is going to happen right away?

A Well, there's a great deal happening with reference to improving the schools, but, so far as mixing the schools, nothing has happened; nothing will happen, in my opinion, until the last court of authority in the nation has passed on that particular case and put its finger—

Q And then there'll be another case?

A It must put its finger on that particular school board and say, "You must do this. This is the end of the rope for you."

Q That's only one school—

A Yes, that's only one school. And I think it would mean just a new start for that school. There may be areas in the South where the situation will be different, as I understand it.

Q Senator, do you regard the implications of the Supreme Court's school decision as seriously threatening States' rights?

A The Court has reversed virtually all previous cases in the field of education and has taken a position that is entirely new.

To fully sustain this position, the Court will have to destroy the last vestige of the powers expressly reserved to the States by the Constitution. This includes the States' powers of local taxation, States' powers as to health and morals, the States' power to classify teachers and pupils, as well as the States' general police power.

This is certain to bring about a lot of arguments and litigation which would require decades to settle. From a practical standpoint, it means a generation of lawsuits.

Q Do you think the same federal regulation that is being applied to schools might be extended into other fields?

A That is undoubtedly correct. There would be no logical ground for withholding their application of those principles in other areas. They could strike down marriage laws and all others.

Q Now, Senator, is there anything else that you think should be said on this subject of school segregation?

A I'd like to get this in the interview somewhere: I'm here to discuss this question of segregation in the public schools solely as a serious present and future problem in government.

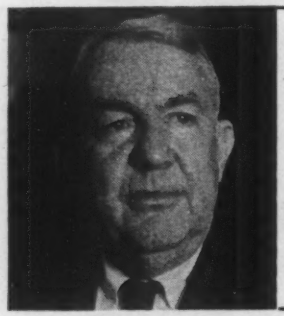
My sole purpose is to try to present a better understanding of the problem to the people of the nation, especially as it affects us in the South.

I don't intend to demean the Supreme Court, although I think their decision unwise and completely unsound. Nor am I here to discredit the Negroes of the South or elsewhere in the nation.

I am a little slow to go on television or radio for interviews like this, but you are such a high-type organization and such a fine publication that I knew that what I said would not be distorted in any way.

And the next thing was, though, after all, just to get some idea of this problem, as it exists at the ground level, over to the people of the nation.

ERVIN: COMPULSORY INTEGRATION IS "FUNDAMENTALLY WRONG"



Senator Sam J. Ervin (Dem.), of North Carolina, served in many legislative and judicial posts before he entered the U. S. Senate in 1954.

In a political career which began in 1923, Mr. Ervin has been both a State and a U. S. Representative.

On the bench, Mr. Ervin rose from judge of a county criminal court to be associate justice of the North Carolina Supreme Court.

Mr. Ervin was born Sept. 27, 1896, in Morganton, N. C., and educated at the University of North Carolina and Harvard Law School. He was cited for gallantry in World War I.

Q Senator Ervin, what do you think about the situation resulting from the Supreme Court's ruling against segregation of races in the public schools?

A It should be borne in mind that, in the South, public schools are social as well as educational institutions.

I disagree with those who seek to abolish the social segregation of the races by judicial decree or legislative fiat. Every day they thunder at us that racial segregation is merely the product of racial prejudice. I do not believe this. In my opinion, men segregate themselves in society according to race in obedience to a basic natural law, which decrees that like shall seek like. Whenever and wherever people are free to choose their own associates, they choose as their associates members of their own race.

There is no warrant for the curious notion that Christianity

(Continued on page 95)

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SCOTCH with a History

. . . "The Supreme Court executed a constitutional somersault"

favors the involuntary commingling of the races in social institutions. Although He knew both Jews and Samaritans and the relations existing between them, Christ did not advocate that courts or legislative bodies should compel them to mix socially against their will.

Q Then you think the methods used by those who seek compulsory integration of the races in the public schools are fundamentally wrong?

A Yes. Social problems can be solved only by patience and good will and intelligence on the local level, where men and women live, move and have their being. Their solutions cannot be dictated from above, even by dictators in judicial robes.

ON "EQUAL EDUCATION"—

Q You do not agree, then, with the view that segregation in schools is a denial of equal education?

A No. Some of those who seek to compel the involuntary commingling of the races in the public schools of the South undertake to justify their action by asserting, in essence, that Negroes cannot secure adequate educations from Negro teachers in institutions of learning attended exclusively by Negroes.

This assertion is an insult to the Negro race. It has been disproved by the work of the world-famous Tuskegee Institute in Alabama and many other Negro colleges and schools throughout the South.

I would like to add this observation: It is altogether likely that the psychological sorrows of childhood and the psychological handicaps of adulthood of persons of both races will be multiplied, rather than diminished, if white and Negro children are forcibly commingled in public schools by court decrees which run counter to the wishes of the parents of the communities to which such decrees apply.

Q Now, Senator, getting down to the situation in North Carolina—

A Yes. I am more familiar with conditions in North Carolina than I am with conditions in other Southern States. I was born in North Carolina and have lived there all of my life. As a private citizen and as a public official, I have had thousands of intimate contacts with thousands of North Carolinians, both white and Negro. I am satisfied I know how they feel about many things, including their children and their public schools.

Q How are relations between the races in North Carolina?

A I rejoice in the fact that relations between the white and Negro races in North Carolina are as harmonious as relations between any two races anywhere on the face of the earth.

Q What is North Carolina's Negro population?

A North Carolina's total population consists of 4,061,929 persons, and 1,047,353 of them are Negroes. In other words, Negroes constitute 26 per cent of the State's population.

Q What is the ratio of Negro pupils to white pupils in North Carolina's public schools?

A Records of the office of the State Superintendent of Public Instruction disclose that, during the last school year, 968,066 children attended the public schools of North Carolina, and that 284,782 of them were Negroes. In other words, Negro children constitute 29 per cent of those attending the public schools of the State.

Q What has been North Carolina's policy in respect to education of Negroes?

A Ever since Charles Brantley Aycock was elected Governor in 1900, North Carolina has deemed that the education of all her children, regardless of race, is her primary obligation, and has endeavored in good faith to perform this obligation within the limits of her financial ability. The going at times has been rough, because North Carolina's poverty has always exceeded her riches. But North Carolina has undoubtedly spent a greater proportion of her wealth for the education of Negroes than any other State in the union.

Q Are all the public schools of North Carolina completely segregated racially?

A Yes. The Negro schools are administered by 483 Negro principals and supervisors and are taught by 8,459 Negro teachers. These Negro teachers constitute 27 per cent of all the teachers employed in the State's public schools. School terms and salary scales are identical for whites and Negroes. Indeed, the average Negro teacher's salary is greater than that of the average white teacher because a larger per cent of Negro teachers hold higher certificates.

Q What is the attitude of North Carolinians toward mixed schools?

A I was not indulging in idle chatter when I said that relations between whites and Negroes in North Carolina are as harmonious as relations between any two races anywhere on earth. Thousands of warm personal friendships exist between members of the two races. Whites and Negroes work together in a spirit of mutual good will and mutual helpfulness to uplift all of the people of the State.

It must be realized, however, that in North Carolina and other Southern States social segregation on the basis of race is an actual condition and not a theory. I am satisfied that the great majority of North Carolinians consider public schools to be social as well as educational institutions, and for that reason favor segregated schools. To be sure, there are some dissenters who are apparently convinced that all racial segregation, social or otherwise, ought to be prohibited by artificial means regardless of community attitudes.

DUE PROCESS "REPUDIATED"—

Q How was the original decision of the United States Supreme Court in the school-segregation cases received in North Carolina?

A It was received with profound and silent regret by the great majority of the people of the State. This is true for at least two reasons.

Q What are those reasons?

A One of those reasons is to be found in the attitude of North Carolinians toward the American system of government. They are inseparably wedded to the idea that "the Constitution, in all its provisions, looks to an indissoluble Union, composed of indestructible States."

When it handed down its decision in the school-segregation cases, the Supreme Court of the United States executed a complete constitutional somersault. It repudiated the interpretation which had been placed on the "due process" and "equal protection of the law" clauses of the Fourteenth Amendment during the preceding 86 years—a period of time greater than that which elapsed between the writing of the Constitution

(Continued on next page)

. . . Suggestion: "Segregated schools on a voluntary basis"

in 1787 and the adoption of the Fourteenth Amendment in 1868.

North Carolinians saw in the decision the severest of many blows struck at the American system of government by a Supreme Court which seems determined to nullify the constitutional doctrine of the indestructibility of the States.

Q What is the other reason?

A I have mentioned the fact that in North Carolina and other Southern States social segregation on the basis of race is an actual condition and not a theory. The second reason is well expressed in the report of the Governor's Special Advisory Committee on Education.

A BIRACIAL REPORT—

Q What is the function of that Committee?

A Shortly after the Supreme Court of the United States announced its original decision, Governor William B. Umstead appointed a special bipartisan and biracial commission on education to study the effects of the decision and to make recommendations as to how the problems arising from it might be met.

I know either personally or by reputation all of the members of this Special Advisory Committee on Education, and can testify on that basis they are as enlightened mentally and spiritually as any people who can be found within the bounds of North Carolina or elsewhere. Two of the members of the commission are able Negro educators, and one is a well-known Negro county home agent.

They filed their report with Governor Umstead's successor, Governor Luther H. Hodges, on Dec. 30, 1954. They stated the second reason in these words:

"This new interpretation of our Federal Constitution threatens to disrupt our accustomed social order and disturb the peace within many school districts of the State."

Q Did this Committee express any opinion as to the feasibility of immediately integrating the races in the public schools of the State?

A Yes. It made this emphatic and unanimous conclusion and recommendation: "The Committee is of the opinion that the mixing of the races forthwith in the public schools throughout the State cannot be accomplished and should not be attempted."

Q What was the basis for this conclusion?

A It pointed out the obvious facts that any attempt to conduct the schools of our State contrary to community attitudes "would alienate public support of the schools to such an extent that they could not be operated successfully"; that "the enrollment and assignment of children in the schools is by its very nature a local matter," and that "problems arising from the Supreme Court's decision will be with us for many years and will require continuous study, attention and perhaps legislative action."

Q What specific recommendations did the Committee make?

A It urged that North Carolina "try to find means of meeting the requirements of the Supreme Court's decision within our present school system before consideration is given to abandoning or materially altering it"; that county and city boards of education be vested with complete authority over the enrollment and assignment of children in the schools; and that the Legislature create an advisory committee to make a continuous study of the problems arising out of the Supreme Court's decision.

Q Did the Legislature take any steps to carry any of the recommendations into effect?

A Yes. The General Assembly of 1955 gave county and city boards of education complete authority over the assignment of children in the schools, and created an advisory committee to make a continuous study of the problems arising out of the Supreme Court's decision.

Q Has North Carolina taken any concrete steps to carry into effect the Supreme Court ruling against school segregation?

A North Carolina as a State has taken no steps other than those stated by me. A few local boards of education have avowedly undertaken studies of the matter. It is to be remembered that no North Carolina school district was a party to any of these cases, and that the Legislature had virtually completed the work of its 1955 session before the second decision in the school-segregation cases was announced.

Q Then, apparently, North Carolina public schools are not integrated this year, but will continue to operate on a segregated basis just as they have in the past. Is that right?

A Yes.

Q What do you think ought to be done by the State, eventually?

A I agree with the observation of the Governor's Special Advisory Committee on Education that our public schools cannot be operated successfully except in conformity with community attitudes. Believing, as I do, that the majority of the people of North Carolina of both races favor separate schools, I think that North Carolina ought to study the feasibility of setting up segregated public schools on a voluntary basis.

Q How would a school system based on voluntary segregation be set up?

A The local school board would allot certain schools of a district primarily to the use of white children and other schools of the district primarily to the use of Negro children and let the parents residing in the district voluntarily send their children to the schools primarily allotted to their respective races.

Q Suppose a Negro parent insisted upon sending his child to a school primarily allotted to the use of white children. Would not a voluntary system of segregation fail in that instance?

A Yes. According to the decision of the Supreme Court, the Negro parent in question could demand the admittance of his child to the school primarily allotted to children of the white race unless his child could be justifiably excluded from such school for some reason other than his race.

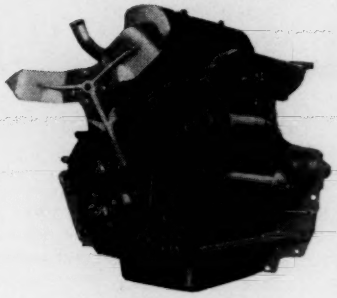
I believe, however, that a public-school system based on voluntary segregation would operate reasonably well.

WHAT NEGROES WANT—

Q Do you think Negroes would accept "voluntary segregation"?

A Negroes want better housing for their families, better educational opportunities for their children and better economic lives for themselves. Southern Negroes know, however, that social segregation on the basis of race is a condition and not a theory in the South. They know that the function of public schools is to educate children, rather than to compel the involuntary commingling of the races.

(Continued on page 98)



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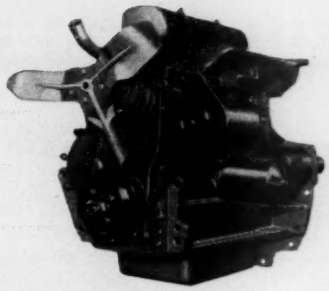

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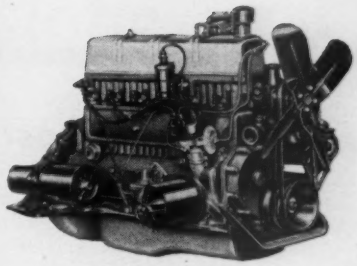

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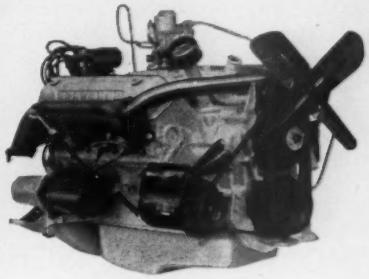

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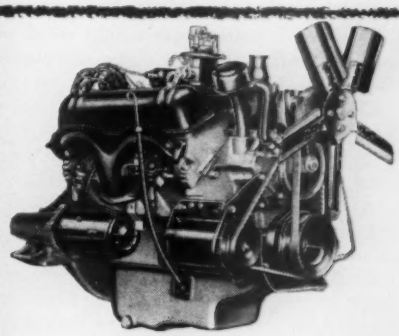

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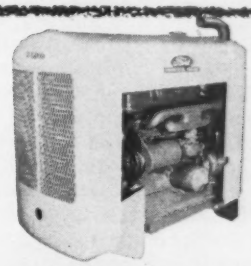
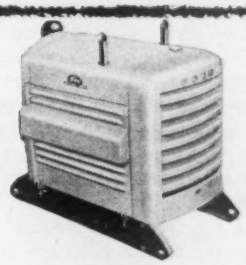
134	4	3.44 x 3.60	134	6.6 to 1	48 @ 2800	110 lbs.-ft. @ 1400 rpm
172	4	3.90 x 3.60	172	6.75 to 1	61 @ 2800	148 lbs.-ft. @ 1400 rpm
223	6	3.62 x 3.60	223	7.8 to 1	107 @ 2800	202 lbs.-ft. @ 2000 rpm
272	8	3.62 x 3.30	272	7.6 to 1	131 @ 2800	249 lbs.-ft. @ 2400 rpm
332	8	3.80 x 3.66	332	7.5 to 1	160 @ 2800	308 lbs.-ft. @ 2300 rpm



FORD Foot Mounted Power Unit



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. . . "I believe most Negroes prefer their own schools"

The majority of Negroes, like the majority of whites, prefer to go to their own churches, their own social organizations and their own fraternal organizations. I believe that they prefer to send their children to their own schools.

Q Do you think it might work out in such a way that a few individual Negroes win admission to white schools without general integration?

A Yes. That is possible. I would like to emphasize at this point my complete agreement with the declaration of the Governor's Special Advisory Committee "that the mixing of the races forthwith in the public schools throughout the State cannot be accomplished and should not be attempted."

Any concerted effort to force racial integration in the public schools of North Carolina contrary to the existing community attitudes is likely to result in the abandoning or the materially altering of North Carolina's educational system.

TWO KINDS OF SCHOOLS?—

Q If we can have voluntary segregation, Senator, can we also have voluntary integration?

A Yes.

Q Then a community might wind up with one school integrated and with others having voluntary segregation?

A Yes.

Q Senator, we would like to get answers to some questions that people are asking about court procedures in school-segregation cases. We understand that you have had much legal and judicial experience—

A I have practiced law or served as a judge in North Carolina since 1922, except during the periods of my service in the 79th Congress and the Senate.

Q As we understand it, the Supreme Court decreed in these segregation cases that within some "reasonable" time there should be a program for integrating the public schools in the districts involved in the pending cases. Are the judges of the lower federal courts to which these cases have been remanded supposed to come up with such programs?

A No. Stated in a nutshell, the Supreme Court remanded the pending segregation cases to the federal courts in which they originated with directions that such federal courts should allow the local school boards in the districts a reasonable time to submit plans for admitting the Negro children involved in such cases to the white schools of the districts. The second decision of the Supreme Court in the pending school-segregation cases clearly contemplates that the federal courts will prescribe rules to govern the admittance of such Negro children to such white schools in the event the local boards fail to submit plans satisfactory to the federal courts.

Q What is your opinion as to the propriety of this procedure?

A In my judgment, this procedure is inconsistent with the very constitutional amendment the Supreme Court is professing to interpret and undertaking to enforce. I think that the Supreme Court should have desisted from further action after it enunciated the supposed constitutional principle in its first decision, and left it to Congress to enact statutes for the implementation of that general constitutional principle.

Since it took the Supreme Court 86 years to discover the outlawry by the "due process" and "equal protection of the law" clauses of the Fourteenth Amendment of school segregation based on race, it cannot be contended with any show of reason that the "due process of law" and "equal protection of the law" clauses of the Fourteenth Amendment are self-executing constitutional provisions enforceable by judicial decree insofar as their newly discovered application to racial segregation in the public schools is concerned.

Law is nothing in the world but a rule of action. Any agency which undertakes to prescribe a rule of action is exercising a legislative and not a judicial power. When the federal courts undertake to prescribe rules of action to implement the Fourteenth Amendment, they invoke a power which is denied them in express terms by the fifth section of the Fourteenth Amendment itself, which declares that "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."

Q But suppose Congress did nothing—

A The fear that the Congress might not act would certainly not justify the Supreme Court of the United States usurping the power expressly given to the Congress by the Constitution. There is no surer way to destroy by judicial erosion the Constitution which all of us are sworn to defend.

Q How can the Supreme Court decision be enforced in a school district which was not a party to one of the cases in which the decision was made? Could a federal judge issue an order to the school superintendent or the school board of such district calling for the submission of a plan for the integration of its schools?

A No. The federal court would be powerless to act except in a suit brought in behalf of some Negro child or children residing in the district.

Q Could there be just one suit brought which would settle the issue for all the Negroes in the district?

A No. This is true because the question would arise whether or not each particular Negro child was excluded by the school board from the school in question on some justifiable ground unconnected with his race.

Q If a federal court ordered a Negro child's admission to a white school, how could its order be enforced?

A It would be enforced by contempt proceedings against the members of the school board of the district in case they did not conform to the decree. I will add certain observations in this connection. Members of local school boards receive little or no pay for their services, which are usually rather onerous and trying. Men are not likely to seek these troublesome offices if they are compelled to perform their onerous and trying duties under the threat that they may be jailed for contempt of court in case their notions as to how particular children ought to be assigned to schools happen to be inconsistent with those of some federal judge.

SEIZE TAXES? "NO"—

Q Could not a group of Negro parents or a Negro association enforce the decision of the Supreme Court by impounding the taxes of a school district on the ground that its schools have not been desegregated?

A No. The remedy would be by way of suit to enforce the admission of Negro children to the white schools of the district. The court would not deprive other children of the district of educational opportunities by impounding the tax monies appropriated for the schools.

Q There are some Southern States, like Georgia, for in-

(Continued on page 100)

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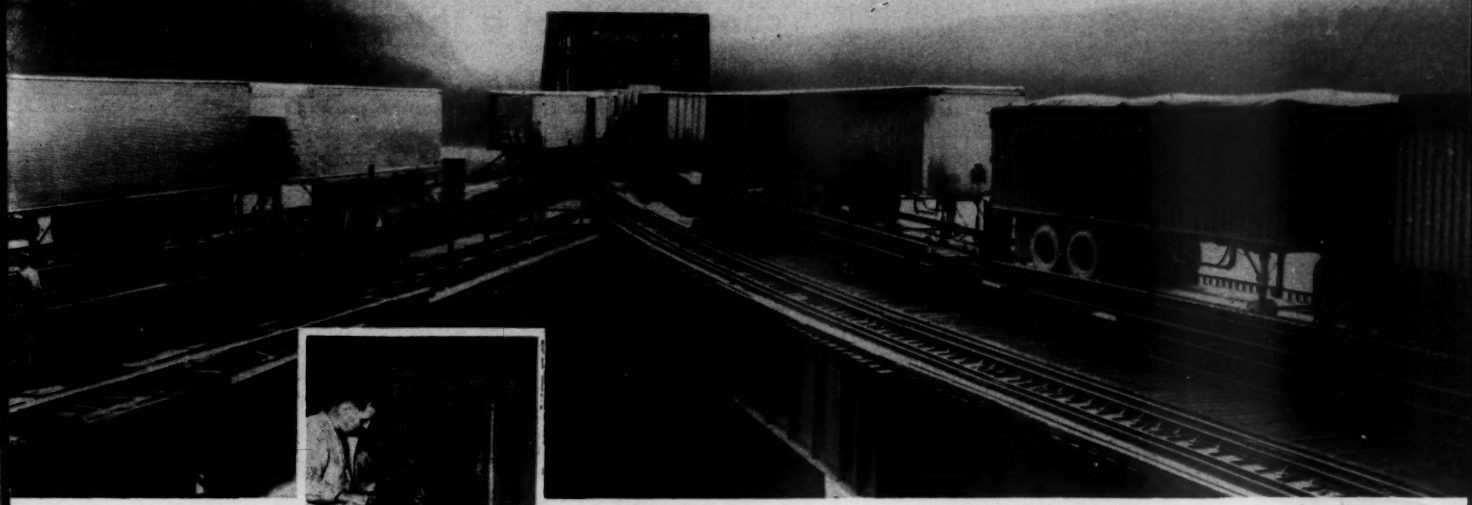

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. . . Ervin: Segregation is "a condition, not a theory"

stance, which have recently enacted laws that make it a crime for a local school superintendent to spend public money for an integrated school. Suppose the federal court or the school board of a district ordered integration in the district and white parents refused to send their children to school. What could the federal courts do under those circumstances?

A Nothing. This question was submitted recently to all the school superintendents in North Carolina: "In the event the Supreme Court of the United States shall decree in the pending school-segregation cases that, within the limits set by normal geographic school districting, Negro children should forthwith be admitted to schools of their choice in your county or city administrative unit, and if Negro children in substantial numbers elect to attend the public schools heretofore exclusively operated for white children, do you have reason to believe that white school children and their parents would peacefully accept this decision and attend such mixed schools?"

A negative answer was given to this question by 96 per cent of the superintendents. Thus it appears again that we are confronted by a condition and not a theory.

Q Aren't there compulsory school-attendance laws in the States?

A Yes. But these laws would not be enforceable in the federal courts. Indeed, some Southern States are said to be in the process of repealing such laws.

Q Does North Carolina have a provision in its constitution requiring racial segregation?

A Yes.

Q And there has been no move to repeal it?

A No. The Supreme Court of the United States has declared all such provisions in State constitutions and statutes void.

Q Does the nullification of these provisions bring chaos in North Carolina's school-administration procedures?

A No. Although I have not had an opportunity to read it, I understand that the North Carolina General Assembly of 1955 enacted a statute giving local school boards complete authority over the enrollment and assignment of children in the schools of their respective districts.

Q So the schools could operate in North Carolina without the Legislature's passing new laws? Either segregated or together?

A Yes.

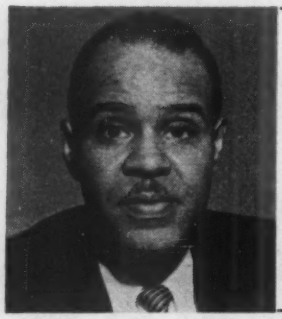
Q But their operation would still be dependent upon the State-raised tax levy?

A Yes.

Q Do you think that integration might be cheaper, financially?

A I have heard statements to that effect on a number of occasions. I seriously doubt whether they have much validity. North Carolina has 968,066 school children, and assigns them to 3,197 school buildings. With the exception of very sparsely settled communities, it is just about as cheap to house 300 white or 300 Negro children in a particular building as it is to house 225 white and 75 Negro children in it.

WILKINS: "CAMPAIGN OF INTIMIDATION UNDER WAY"



ROY WILKINS has spent all his adult life fighting for Negro rights.

Born in St. Louis, Mo., Aug. 30, 1901, Mr. Wilkins grew up in St. Paul, Minn., and graduated from the University of Minnesota.

In 1923, he became managing editor of the Kansas City (Mo.) "Call," a weekly newspaper for Negroes. In 1931, he became assistant secretary of the National Association for the Advancement of Colored People.

Mr. Wilkins became executive secretary of the NAACP last April after the death of Walter White, who had held that position for 24 years.

Q Is the South doing anything, Mr. Wilkins, to conform to the Supreme Court decision on desegregating the schools?

A When you say "the South," what do you mean? All the States affected?

Q Yes, the 11 Southern States—

A Well, there were 17 States originally affected.

Q That's right—

A Well, the Southern States are variously active. In the Border States of Maryland, Delaware, Missouri, West Virginia, we have had action toward desegregation.

Q Is that voluntary?

A It was voluntary as of September, 1954, in the areas I have mentioned. Maryland, however, acted voluntarily only in the case of Baltimore last year. Now it has begun further desegregation in other counties in the State.

Q How about the deeper South?

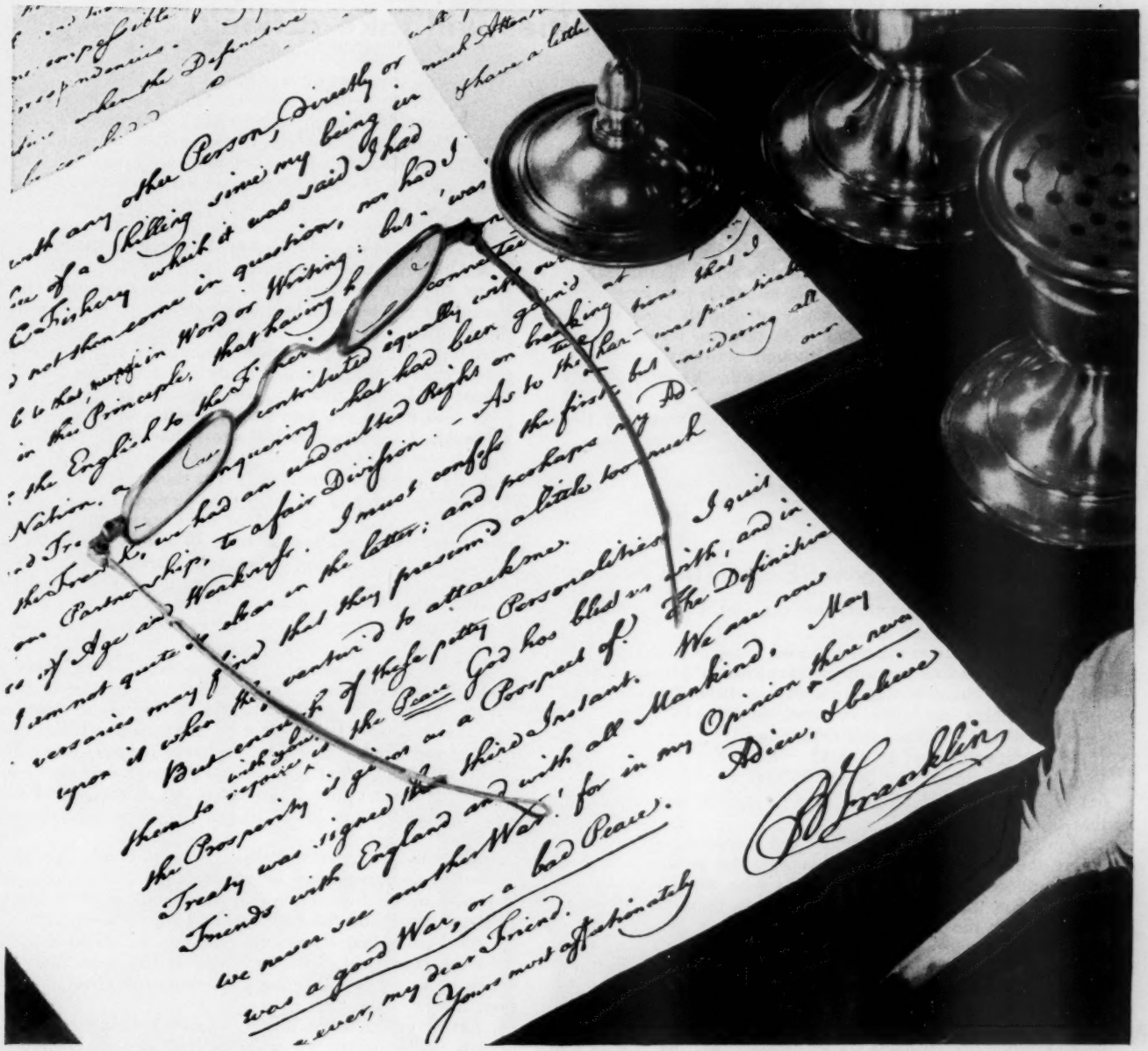
A Following the Supreme Court opinion of May 31, 1955, in which it handed down a decree, we had desegregation beginning in Oklahoma, Kentucky and parts of Texas. Now, when you talk about the Deep South States, we have had no action toward integration in Virginia, except a declaration by Norfolk; none in North Carolina, except declarations, later recanted, in several cities; South Carolina, Alabama, Georgia, Mississippi, Louisiana and Florida.

Q What do you think those States are going to do?

A We can only go by what they say they are going to do. Florida has not made any positive declaration except that they don't like to desegregate. Georgia, South Carolina, North Carolina, Mississippi, Louisiana and the responsible officials

(Continued on page 102)

☆ *Memorable American Letters...* ☆



Courtesy The American Philosophical Society

Benjamin Franklin to Josiah Quincy, September 11, 1783: "We are friends now with England and with all Mankind. May we never see another War! for in my opinion there never was a good War, or a bad Peace." Franklin wrote this letter from France a week after the American delegation had concluded the Definitive Treaty with England. The 6-year war for independence was over.

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. . . "We believe more communities will take action"

in Virginia have announced that they will resist desegregation to the fullest extent.

Q Have you—the NAACP—any plans to act on that?

A In which State?

Q In a State like Mississippi or South Carolina?

A Well, Mississippi is probably the worst. There is a case, of course, one of the original cases, pending in South Carolina—that's the Clarendon County case. The federal district court held a hearing on that as of last July 15, and has given them more time. No other community in South Carolina has made a move toward desegregation, although petitions have been filed by some parents in some cities with local school boards. In Mississippi there has been uniform refusal to do anything about desegregation, although petitions have been filed in several cities including Jackson, Vicksburg and Natchez.

Q If nothing is done, will it take a lawsuit to enforce the Supreme Court decree?

A Yes.

Q Does that mean that perhaps you will have to have a lawsuit in each school district?

A That is possible.

WHERE TOWNS ARE ACTING—

Q Is there any way that you can get more wholesale enforcement?

A Well, we believe that more and more communities are going to take action; certain communities in Arkansas have indicated that there may be some action without further lawsuits. Oklahoma has some 75 communities which have desegregated their schools as of September.

Q That's voluntary, is it not?

A Well, it's under the decree of May 31, 1955. It's without a lawsuit being brought in any specific community in that State.

Now, where there is absolute and continued refusal and where the proper legal groundwork exists, and—and this is important—where there are plaintiffs who wish to challenge the action or inaction of the local boards, then our attorneys will consider the filing of a suit.

Q But you will need a plaintiff, then?

A Yes, plaintiffs will have to step forward and say they want to do this. We can't go in as an organization. We do not, and our lawyers do not go into a community and say, "We want to start a lawsuit here."

Q You have to be requested?

A We have to be requested by a plaintiff.

Q And if, for instance, there is a school district or a county in Mississippi in which there is no request, then you probably would not move?

A I would suppose that to be so—I'm not a lawyer. Our procedure is not to enter into a lawsuit without a plaintiff; they have to request our assistance.

Q Now the Supreme Court gave the district judges what they call "a reasonable time" to obtain integrated schools. Have you any idea what "a reasonable time" is?

A Well, the Court's opinion didn't say exactly that. It said that "a prompt and reasonable start" must be made, and thereafter, if more time is required, it may be requested.

Q The request would be from the district court?

A No, from the proper community officials.

Q But the request would be submitted to the district court?

A Exactly so. A community might make a start—say, "Well, we'll desegregate in a high school or in a district, or in a grade," or some other business. And if they make a prompt and reasonable start in "good faith"—that was the language of the Court—then they can come into the district court and say, "Look, we've made a start, but we've run against some snags, and we need more time and we don't know that we can do so and so—" and the court would say, "Well, all right." Under the decree, it could grant them more time.

Q Will that be satisfactory to your organization?

A Our organization believes that every community where there are real problems presenting administrative difficulty should have a reasonable time to attack those problems and solve them.

Now, we do not trust every community that says it needs more time, or that appoints study commissions for indefinite terms—we believe that is a sort of stalling tactic.

Q And if you run into stalling tactics in which you have a lawsuit, I suppose you will press that suit?

A If we run into stalling tactics—and you have to allow time for people to demonstrate that they're stalling, you can't just accuse them of it—once they demonstrate that they're stalling and not moving in what the Court calls "good faith," then here again we would have to take into consideration the local factors and the presence of plaintiffs who wanted to press such a matter, plus the other items that a legal staff would require for a lawsuit.

Q Well, is there any way that the courts can enforce integration against recalcitrant groups?

A Now you're asking a question lawyers, of course, are better qualified to answer than I. But the question of enforcement, it seems to me, is inherent in the whole structure of American jurisprudence. That is, the Supreme Court made a ruling and handed down to the lower federal courts the job of enforcement. That is the usual procedure of the Supreme Court. It doesn't enforce anything. All of its decrees are enforced through the lower courts, the ones that are on the ground.

If, let us say hypothetically, we had a community that refused to desegregate or demonstrated it was stalling, and a plaintiff brought an action and we would take it to the lower federal court, and the lower federal court found that we had a good case, that they were stalling, and ordered them to change, cease and desist, or whatever the order, they would then be in danger of being in contempt of court if they did not obey.

Let us say that the lower courts felt that they had done pretty well, and we felt still that they had not, or our plaintiffs felt that they had not, we would then appeal to the United States Supreme Court which would review the facts and support or overrule the lower federal court, citing its decrees and opinions of May 17, 1954, and May 31, 1955.

One has only the powers resident in the Constitution and legal procedures. You either observe the law or you're in rebellion against the Constitution. There are only two choices.

IF TRUSTEES RESIGN—

Q Say you take some of these States which say they will resist desegregation all they can—say a court ordered the trustees of a school board to desegregate and the trustees resigned—

A They couldn't run their schools without trustees—

(Continued on page 104)

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. . . "No such argument" as "separate but equal"

Q Would you have to start a whole new suit against some new trustees?

A That's a technicality that I don't know. There are in the law, not only in this instance but in any area, endless technicalities that can be used, and I'm not competent to pass judgment on how each one would be dealt with, but I know that our Association and its legal staff would take each one as it presented itself, bearing in mind the factors applicable to that particular situation. We're not making any blanket boast that we're going to sue all over the place.

WHEN NEGROES WILL SUE—

Q You don't intend to do that?

A We intend, where all the factors are present, to institute a lawsuit—where there is a complaint, and evidence of violation and disregard of the law, plus the other factors that lawyers may consider necessary to the prosecution of a successful suit.

Q And what would happen—some States have threatened to abolish the public-school system and have private schools—would that get around the decree, in your opinion?

A Well, in the first place, we don't believe they will do it. It is fraught with many, many difficulties, and they know it as well as we know it.

Q It has been suggested in some States to have what they call "voluntary segregation"—

A Like what?

Q Well, I suppose you would pass an ordinance in the county that if the people voted for voluntary school segregation that would be legal—or would it be?

A There are no referenda on Supreme Court rulings, and on voluntary segregation we have evidence in two instances. In the summer of 1954, Governor Hugh White of Mississippi called to his office 100 Negro leaders in his State—no outsiders—and he presented them with a proposal of a commission that they accept voluntary segregation. Only one person out of the 100 supported the Governor's proposal. That was in July, 1954.

Now, this past August Governor Luther Hodges of North Carolina made a State-wide radio and television appeal in which he asked the Negro citizens of North Carolina to accept voluntary segregation. Subsequent to that he addressed the North Carolina Teachers Association composed of Negro teachers and urged their acceptance of voluntary segregation. Instead, they passed a resolution condemning voluntary segregation. The right not to be segregated is personal. The individual cannot be bound by others.

Q So you think that voluntary segregation would not get very far?

A Why should anyone step forward and accept voluntarily any less treatment than the courts say he is entitled to receive?

Q Wouldn't there be an argument that schools are separate but equal?

A Oh, no, no. There's no such argument any more.

Q That argument is no good any more?

A No. It never was valid—there never was a "separate but equal" school in the entire United States.

Q So you don't think that the Negro people will ever accept that?

A They will never accept it voluntarily. There is considerable evidence accumulating that in some of the Deep South States an intensive campaign of coercion and intimidation is under way. For example, take the signing of school petitions. The signers' names have been published in the local papers in big type, and their addresses, and their employers have called them in and other people that have relations with them have put pressure upon them, and they have been forced to withdraw their names. From this it would appear that they are voluntarily giving up their petition for integrated schools. But such is not the case. They are acting under duress.

Q Do you have any plans to stop that duress?

A Well, you ask a difficult question. This duress is local and it is decidedly cruel and un-American. We have countless instances coming in here of people who have been fired from their jobs, men who have been denied loans and credit at banks, small businessmen who have been denied supplies from wholesale houses, filling-station operators who have been told by area distributors that they won't bring them any more gasoline—and all down the line. We believe that counter measures may have to be taken by the Negro citizen in manipulating their purchasing power where they can.

Q You mean you're fighting economic pressure with an economic reprisal?

A We can't fight it as an organization. But we have communications from the colored people in those areas indicating that in their communities they are beginning to, out of their own experiences, they are beginning to spend their money where, let us say, the recipients are not their enemies. We have no plans for an organized boycott. That's poison.

Q That again, then, is up to local action?

A Yes, but there is evidence that it is catching on. There is considerable evidence that it is catching on.

Now in many instances, of course, local and neighborhood, they will not be able to do anything about it. They're in a sort of a box. But in many other places they will be able to do something about it. Furthermore, the publicity on this sort of thing for a national brand name is likely to bring repercussions from outside the South. A certain brand of gasoline, for example, the head of an automobile distributing agency who brings pressure to bear on people in an unnamed town in an unnamed State in the South—his company feels it back in Detroit or Chicago or New York when this publicity gets out, as some of it has come out. Negroes, you know, spend 15 billion dollars a year.

Q If the State Governor or State Legislature just refuses to do a thing, is there any way the Court can reach them?

A That's a question for lawyers. I wouldn't venture to say. Any time a layman says what courts or lawyers can or can't do he puts his foot in his mouth.

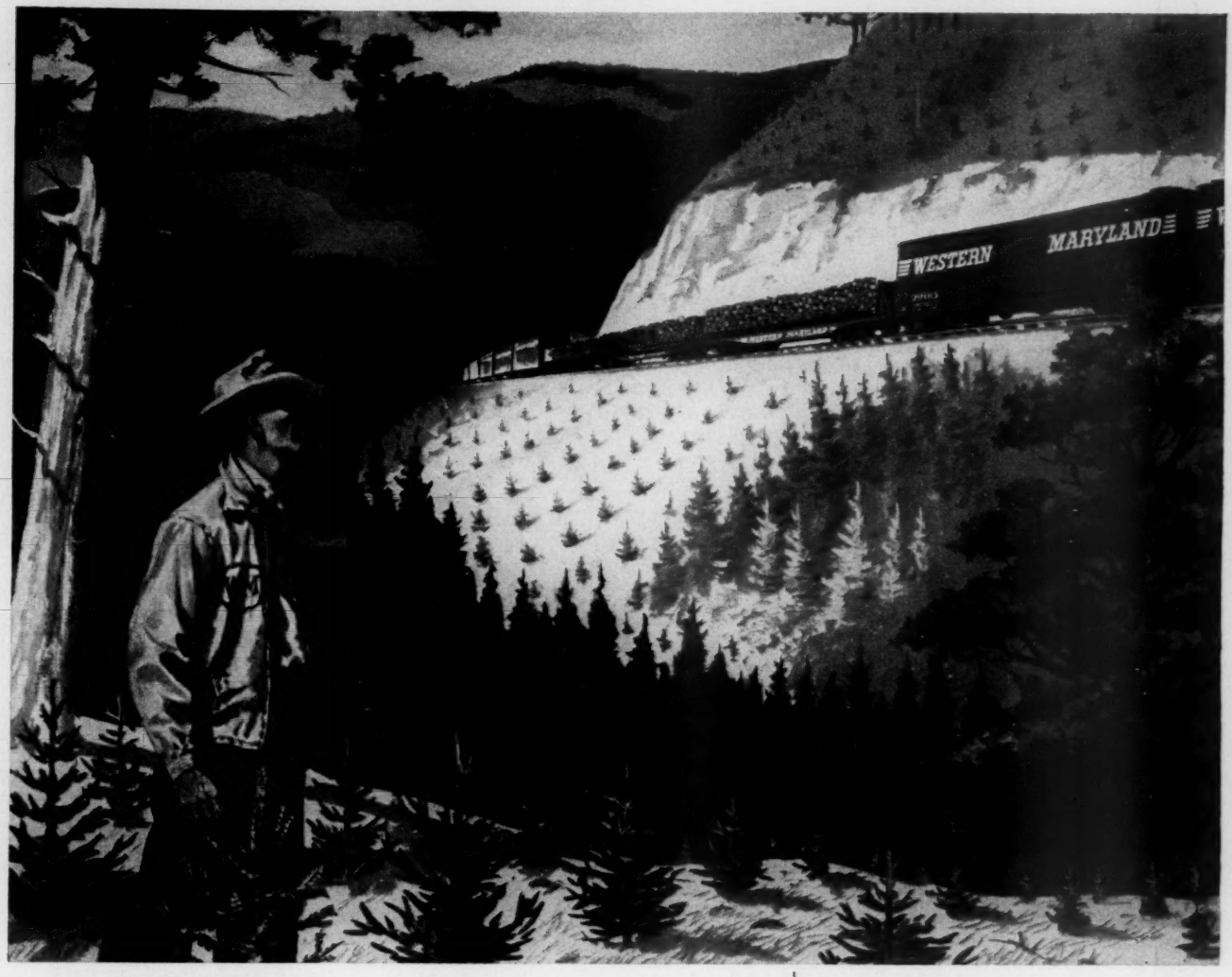
INTEGRATION FAR OFF?

Q Does it look, then, as if it is going to take quite a long time to achieve integration in the South?

A It's pretty hard to say. This whole area of social change is not one that moves with scientific precision. But the things that are taking place in the South indicate to us that we've entered another phase. The first phase in many areas was the assumption that Negroes did not want desegregation. And then when it was discovered that they did want it, and when offers of voluntary-segregation plans were turned down—

Q Is that pretty general?

(Continued on page 106)



235,000 seedling trees have already been planted under supervision of John Adams, forester of the Western Maryland Railway, on denuded land adjacent to the lines. In time, 100,000 acres will be growing new forest crops here.

The Western Maryland demonstrates to customers and neighbors how

Progress can be grown

When a railroad undertakes to reforest thousands and thousands of denuded, burnt-over and spoils-covered acres it shows awareness of future needs of its territory.

Western Maryland's reforestation work directly benefits manufacturers of paper and users of forest products located along its lines.

And it also benefits everyone else in this region, for they all have an interest in maintaining an adequate water supply and in developing the wildlife and recreational assets of the area.

All Western Maryland shippers see other evidences of the road's future-mindedness: in its research laboratory, its radio telephone transmitters, coded track circuit traffic controls, constant and attentive car reporting and in its electronic computing equipment.

Many shippers benefit, as well, from the stepped-up service of the new Hillen Center in midtown Baltimore, in door-to-door freight, in piggyback rail-truck service, and in the road's modern rolling stock. The WM is 100 per cent dieselized, and its percentage of roller-bearing cars is among the highest of all Class I railroads.

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. . . "Unquestionably there will be lawsuits"

A Yes. And where all these proposals for acceptance of the *status quo* were turned down, then we entered this phase of coercion—"Well, we'll make you take it"—"We'll fix your petitions, and we'll fix you, so you can't work and you can't borrow money and you can't even eat." Now, it seems to me that this sort of thing cannot go on indefinitely. We will enter another phase—it may be a more bitter phase of more stubborn resistance, or it may be a willingness of some cooler heads to step forward with a plan. There are plans that can be devised, and compliance in many areas would be good for the communities and would not be difficult to put into operation. They would not, for example, result necessarily in great upheavals in the present system.

FOR "MODERATE" PLANS—

Q And you favor such moderate plans?

A We favor people coming forward willing to discuss how they *can* desegregate, in place of the people who now say they can't, won't and never will.

Q You think eventually they'll lose their case?

A We're certain of it.

Q Do you expect quite a number of lawsuits before that point is won?

A Unquestionably there will be lawsuits. However, we expect increasing instances of compliance in more and more communities. I would say that as lawsuits are won, more and more communities will comply. And many will comply without any lawsuits, as witness Oklahoma.

Q Of course, most of your gains have been made in the border areas to date, haven't they?

A This is an interesting business with us. Two years ago, Oklahoma was South, in everybody's conversation, and now that it has complied with the Supreme Court ruling it has become a Border State. What are you going to say about Corpus Christi, Tex.? Certainly that's not a Border State. Or the capital of Texas—Austin—where the high schools are desegregating?

Q Are they desegregating in Austin?

A Oh, yes; and of course El Paso—well, that's so far out West. But El Paso and Austin and Corpus Christi and San Antonio and San Angelo—a half dozen important cities in Texas—admittedly in Central and West Texas and not in East Texas, but nevertheless in Texas. You have scheduled for desegregation the undergraduate colleges of the University of Texas for next fall. That's already been announced. You have the desegregation of the undergraduate colleges in Arkansas announced, and the undergraduate colleges in Oklahoma already are desegregated.

Q Of course, that's in the upper schools.

A Yes, admittedly so. When you get to Kentucky you get a little bit closer, but even that has been usually regarded as a Border State. Chattanooga, in Tennessee, has announced that it will make plans to desegregate but they haven't put any into effect. They are like Norfolk, Va., which hasn't put forward any plan yet, and hasn't named any dates, but it has announced that it will.

Q Do you expect that they will?

A We expect that some plan will be brought forward. Now North Carolina and Texas furnish an interesting contrast in expectation. We expected that Texas probably would be a little difficult and that very little action would be taken there toward desegregation. On the contrary, a number of important communities have done so. This has happened despite the fact that the Governor and the attorney general have been opposed to desegregation.

Q That's in Texas?

A Yes. Now, in North Carolina, on the other hand, with the reputation it has built up for being a liberal State—the most liberal in the South, the way they tell it—we have had unexpected resistance. And a number of cities in North Carolina that had previously indicated they would desegregate have been dissuaded from doing so by a State administration—the Governor, the attorney general's office and the Legislature—on the basis of the promulgation of a so-called "state-wide policy" which says that "it is not possible to desegregate in North Carolina."

And these communities which already had made announcements, some of them had plans, have folded up and gone back to their knitting, under the coercion of the State government. This brings me to a point which we think is important: There is sentiment among white people in the South for desegregating schools. That sentiment has been repressed, intimidated, coerced, by what might be called the "politicians," and those interested in the success of certain political personalities or policies.

We still believe that there is an inarticulate, timorous but substantial number of white people in the South who recognize that desegregation should and could take place.

Q Is it true that in most places where they have desegregated the Negro population is heavily in the minority?

A Yes, I think that's true—I don't know how heavily, but it is certainly in the minority.

Q Nothing has been done where the white groups are in the minority?

A No, I don't believe so. I don't believe there is a single town where whites are in the minority where any desegregation has taken place. No, wait—there is Washington, D. C. where the Negro school population is nearly 64 per cent of the total.

Q Do you expect more difficulty in those areas than in the others?

A Yes, I expect more difficulty there. There is a psychological roadblock there. Under a system of equality, where the schools are the same, with the same amount of money expended on them, the same standard as to curriculum, the same facilities, etc., the children presumably would get a good education no matter who was in the majority in the school.

CHILDREN "LEAST AFFECTED"—

Q But there still might be that feeling, that roadblock?

A Oh, you can't wipe that away overnight, no. However, all studies of what has taken place since September, 1954, in desegregated schools has shown that the least worried and least affected of all have been the children. As a matter of fact, I think the Washington *Evening Star* ran a series of five articles on the first year of desegregation in the District schools, which came up with the idea that, as far as the kids were concerned, everything was all right.

Q It's the adults that are causing the difficulty?

A Yes.

Q Do you expect more difficulty in rural areas than in cities?

A That's hard to say. In some rural areas you might have trouble, in others, less trouble. Rural areas may even be per-

(Continued on page 108)

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. . . "We're pinning our hopes on co-operation"

suaded by the economic factor. They don't have too much school money—it costs money to maintain a Negro school and a white school—and they may find it advantageous.

For example, in September, 1954, two towns in Arkansas integrated Negro and white high-school children. Now, there were only a few Negroes, but the school board in one community had been spending $6,000 a year for transportation of these few Negroes to a Negro high school. They put the $6,000 in the bank and sent them to the high school around the corner in their home town. And that will have some effect on the smaller communities. On the other hand, the smaller communities, being out of touch with a lot of general opinion, could develop some stubborn resistance.

Q You regard this, then, more as a matter of education than legal action?

A I am glad you asked that question because we feel we have entered a phase of education and effort at understanding and effort at teamwork on a sensible program that will satisfy the Supreme Court requirements. The legal phase is necessary, but right now it's necessary to sit down and talk the thing over and get to work on the program with the elements that want to go along with it. This is a sort of "war of ideas" stage.

Q Would you prefer that to real legal battles?

A Well, the only reason for legal action is as a last resort. The courts have said what is the law—if a plantiff comes along and says, "We've done what we could with our school board, we presented a petition, we did this, we did that and they have not done anything and say they will not do anything," then there isn't anything else to do but sue.

Q That is the last resort, in other words?

A It's the technique that you use when you can't use anything else. We would much prefer to talk this matter over. We're not going to talk it over on the basis of accepting less than we're entitled to. And we're not going to talk it over on the basis of voluntary segregation. The principle must be there. We and the local colored citizens are perfectly willing to talk over any reasonable plans for compliance. There isn't any point in discussing noncompliance.

Q Do you expect any judges to act on their own and call the school boards in and say, "Can we devise a plan?"

A I don't know. There again you're over in the legal phase. I don't know a court that might do that.

Q Would a court have any power to do that?

A It may have some moral power but no legal power. I wouldn't think they could force a school board to come into court and submit a plan or talk over a plan.

Q You think the court cannot act until it has a case before it?

A That's my understanding.

Q Then doesn't it look as if this isn't going to happen very fast in a great many areas?

A It has happened with some speed in some areas, and I would go back to what I started to say a few moments ago—ofttimes what seems to be an impossible situation all of a sudden resolves itself. Any number of factors may contribute to a change in attitude on the part of a community or to a decision to try to make a go of it. We believe that there will be many instances of this. We don't discount the fact that there might have to be a tortuous legal campaign in more school districts than we care to think about.

Q Of course, if you had a rash of lawsuits that would take years and years, wouldn't it?

A Yes, and some of our "do or die" opponents know that. They know that technically they could make us jump from school district to school district, and we know it, too. But we'd rather not do that, unless we have to.

Q Then you're pinning your hopes more on co-operation?

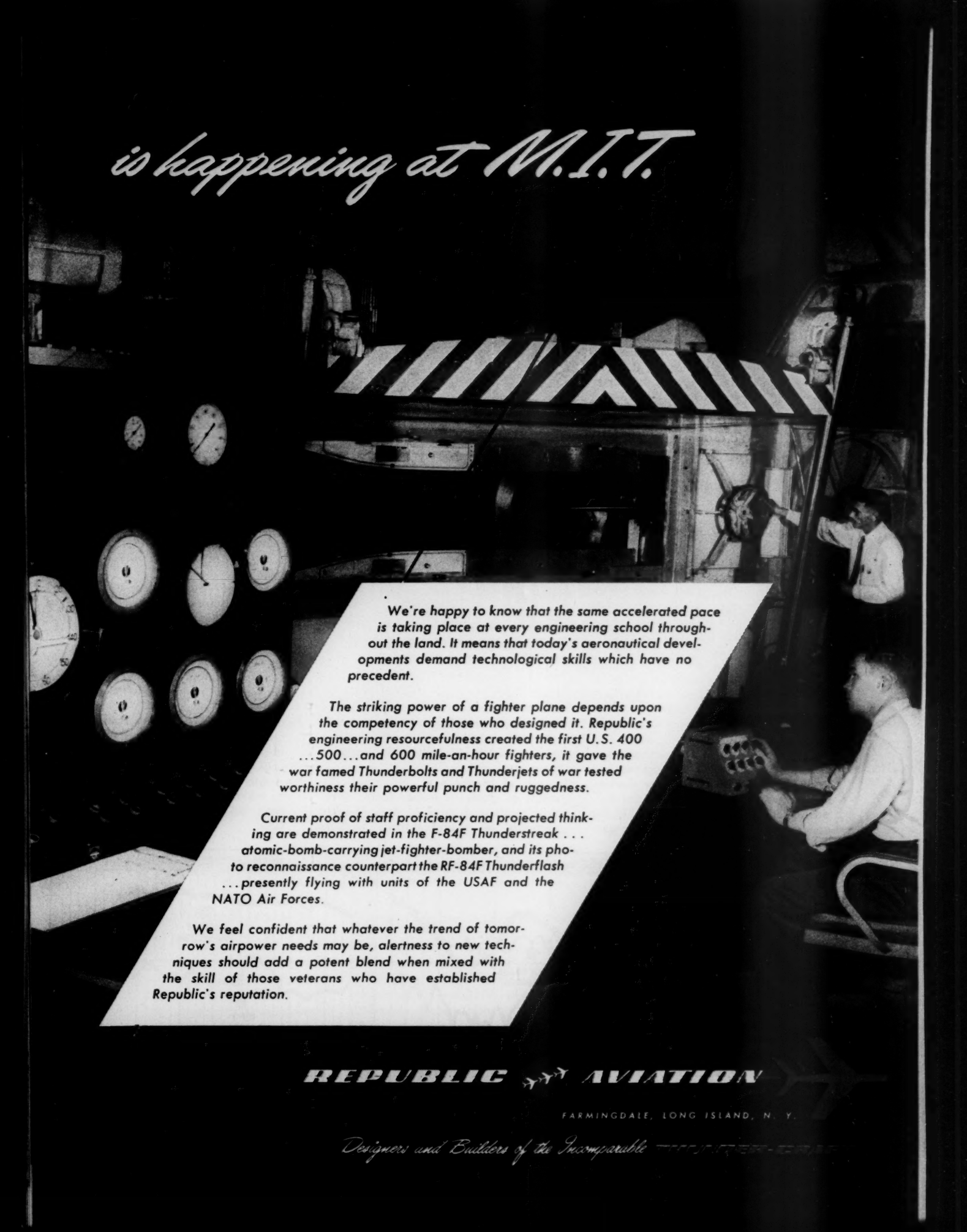
A We're pinning it on co-operation and understanding, with the knowledge that we will file lawsuits if we have to. We are convinced that there can be a meeting of minds on compliance with an interpretation of our Constitution. After they yell and boo, Americans always follow the rulings of the umpire.

—USN&WR Photo

INTEGRATION IN THE SCHOOLROOM

Mr. Wilkins: "We are convinced that there can be a meeting of minds"

is happening at M.I.T.



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Latest Indicators of Business Activity

Business activity is still rising as factories increase their output to fill the growing demand for goods.

Auto production, shown in the top chart, jumped to 174,097 in the week ended November 5, as estimated by Ward's Reports, Inc. It was the largest volume since May. Model change-overs have now been largely completed, and manufacturers plan heavy output throughout November and December.

Steel production was scheduled at 98.3 per cent of capacity in the week ended November 12. Order backlogs are reported still increasing. Demand is strong for major consuming industries.

Paperboard output reached 297,935 tons in the week ended November 5, a record 15 per cent above a year ago. Main use for paperboard is in making cartons and boxes for the shipment of consumer goods.

Carloadings of manufactured goods were 15.9 per cent above a year ago, the widest margin of gain this year.

Bank loans to business and consumers rose sharply in the latest week.

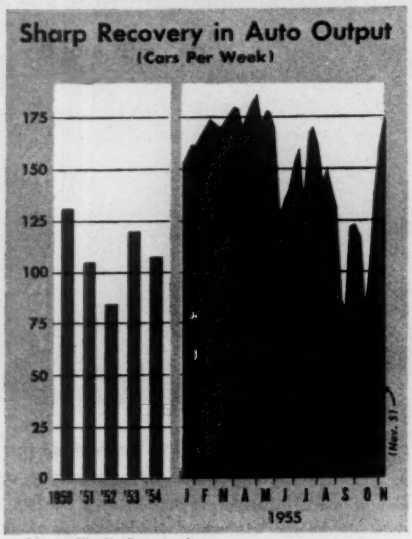
Hiring of new workers was active at machinery-manufacturing plants in October. New orders for machinery have mounted rapidly in recent months.

Retailers, meanwhile, are doing a brisk business. Store sales were at a rate of 188.2 billions per year in October, which was 1 per cent below the September record but 12 per cent above a year ago.

Best showing was in automotive sales, up 22 per cent from a year ago. There were gains of 10 per cent for department stores and drugstores, 9 for furniture and appliance dealers, 8 for general-merchandise outlets, 7 for gasoline service stations, 6 for eating and drinking places.

Installment credit is still being used freely. Installment sales at department stores recently were 16 per cent above a year ago, compared with gains of 5 per cent in cash and charge sales.

Personal incomes rose to a rate of 307.5 billions per year in September, 2 billions above August, nearly 20 billions above a year ago.



Source: Ward's Reports, Inc.
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Wages and salaries grew to a rate of 212 billions per year, up 800 millions in the month, 16 billions in the past year.

Growth of incomes is continuing, the result of gains in employment, overtime work and rates of pay. Weekly earnings of manufacturing workers averaged $78.69 in October, a record $1 above September and $6.50 above a year ago. That is before deduction of income taxes and Social Security taxes.

Average annual pay for factory workers, at the October rate, amounted to $4,092, up $336 from October, 1954. The gain is equal to an extra month's pay over the annual rate a year ago.

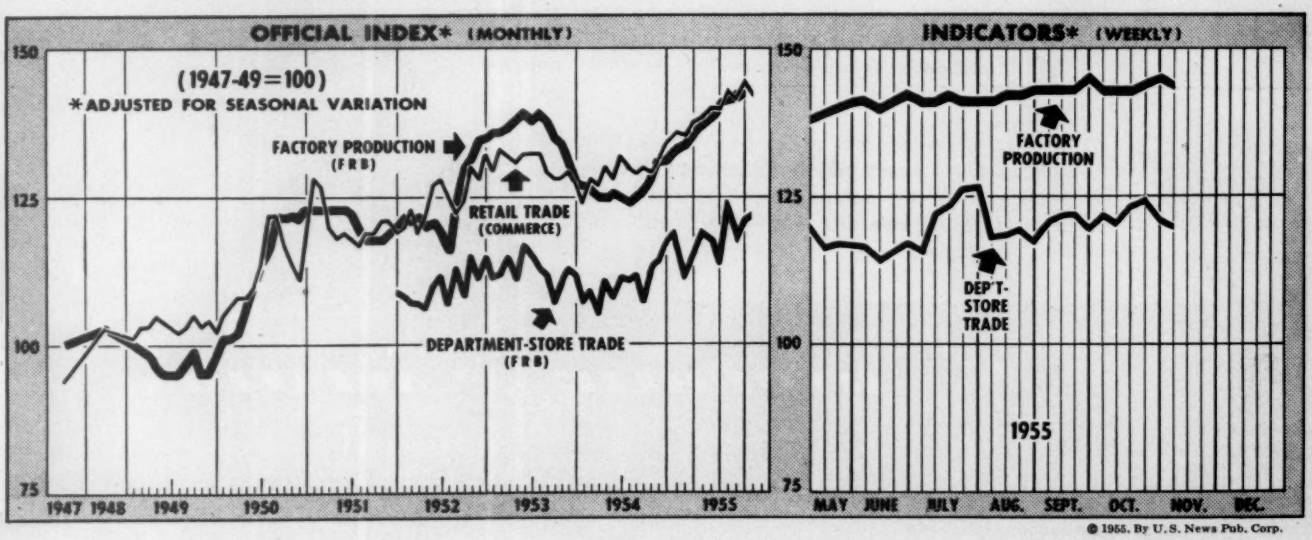
Largest gain over the year was in metal-producing industries. Their workers earned an average of $96.60 per week in October, up $13.74 from a year ago. That was at an annual rate of $5,023, up $714 from the rate in October, 1954. This gain is equal to about two months' pay over the annual rate a year ago.

Smallest gain over the year is for workers in tobacco manufactures, who earned $51.38 per week in October, $1.66 more than a year ago. Their annual rate of pay is $2,672, up $86 in a year, equal to about one week's extra pay.

Owners of businesses—stockholders and proprietors—are prospering. Dividends paid so far this year are up about 10 per cent from a year ago. Incomes of unincorporated business and professional persons in September were at a rate of 28 billions per year, 2 billions above September, 1954.

Farm proprietors, hit by lower prices for hogs, steers, corn and wheat, suffered a billion-dollar loss in their rate of net income over the year.

Strength of demand for goods shows no wavering at this time. Business activity will enter the year 1956 at full tide.



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A new copper makes sweet music in electroplating

THE PROBLEM: At one stage in making records, music is transferred from the original cutting to a very thin shell of nickel. For practical handling, this shell has to be strengthened. And copper, as our most versatile plating metal, provides a sturdy electroplated reinforcement. As electroplaters know, even 99.9+ per cent pure copper in an acid-electroplating bath produces a few particles which behave erratically. They may waste some metal, but seldom cause real trouble. In record making, however, they occasionally formed nodules, or bumps, which could not be removed easily without distorting the music.

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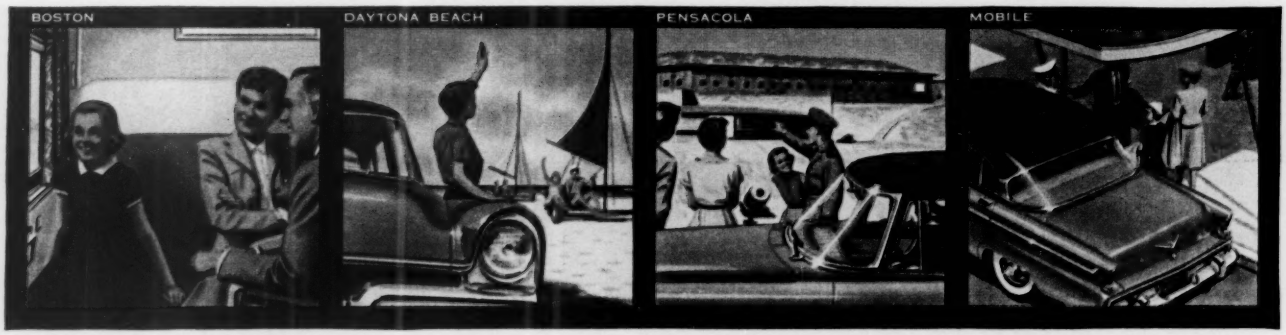
FOR BUSINESS—Sales Manager Bill Smith in Philadelphia plans a three-day selling trip before attending an important sales meeting in St. Louis. By driving he knows that he'll make more calls—but there isn't time to drive both ways. So he rents a clean, new car from Avis in Philadelphia and gets train reservations from Pittsburgh to St. Louis. As he drives to Pittsburgh he sees customers in Reading, Lancaster, Harrisburg, Altoona and Johnstown. He leaves the car with the Avis office in Pittsburgh and boards the train to St. Louis. Total car cost: $74.60, including car return charge—and Avis paid for all the gas, oil and insurance.



FOR PLEASURE—in Boston, Don Gray and family plan a trip south—for a vacation and to see their son. By taking a crack train south and arranging for Avis "Rent it here—leave it there" service, they have the convenience of a sparkling new car for sight-seeing. The car is waiting for them at the station in Daytona Beach, where they spend a week. Then they head for Pensacola, where their son is stationed, enjoying a 2-day scenic drive across Florida. After a happy reunion, the Grays drive to Mobile, where they leave the car at the Avis office, paying only $136.58, including car return charge. They take a fast train home, rested and refreshed.

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Call your nearest Avis office (it's listed under "A" in the phone book). You can rent a new Plymouth or other fine car in *minutes*. Besides Avis Credit Cards, Avis stations honor many other national credit cards, including those from major railroads and airlines, hotel chains and oil companies. Avis Rent-a-Car System, Inc., Hotel Statler Bldg., Boston, Mass.

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Time left for taking advantage of this year's tax exclusion on gifts you make to others is getting short.

MAKING GIFTS. The law allows you to give away during a year--without having to pay any federal gift tax--as much as $3,000 per person to as many people as you choose. On those amounts, you don't even have to file a return. But one requirement for this tax break is that there be a "completed gift." Giving money by check, for example, may not be considered complete until the check is cashed. Transferring property also can take time, and if the year end rolls by without your establishing the right to an exclusion, that one is lost forever.

DOUBLE EXCLUSIONS. Giving property away lets you pass it on to your heirs tax-free or at a lower tax than would be imposed against it as part of your estate. Note, too, that if your wife agrees to the gift, it is considered as being made one half by each. Thus the exclusion is doubled, and you can give a person as much as $6,000, tax-free.

Entirely apart from this annual exclusion, you also get a $30,000 lifetime exemption. That can be used in one lump, or divided over the years in any amount you choose. And if your wife consents by putting her signature on the gift-tax return, the exemption is upped to $60,000.

TAX POINTERS. Here are points about gift taxes often overlooked:

Gifts to your wife can qualify for a special marital deduction--half the gift being tax-free. Exemptions on gifts to a spouse thus are doubled.

If you make a gift of more than $3,000, you must file a gift-tax return--even though the gift has been split with your wife and there is no tax due.

Present law makes it easier to qualify for the tax exclusions when you make gifts to minors. Before 1954, the law often worked to deny you that tax break.

Gifts to individuals don't give rise to income tax deductions. Gifts to charitable organizations do, but you may also have to file a gift-tax return.

You may be letting yourself in for a gift tax if you forgive a debt, set up a joint bank account or transfer property without adequate consideration.

CIVIL DEFENSE. If you do volunteer work under the federal civil-defense program, you may be able to take an income tax deduction for expenses you incur. That's announced by the Civil Defense Administration on the basis of information obtained from the Internal Revenue Service. The same rules apply as for

(over)

contributions to charitable organizations. Your expenses must be solely in connection with the volunteer services, and ones for which you were not reimbursed. Among those deductible: travel expenses to State or area civil-defense meetings, costs of gas and oil used in getting to and from your ground-observer post, value of property or material you donate.

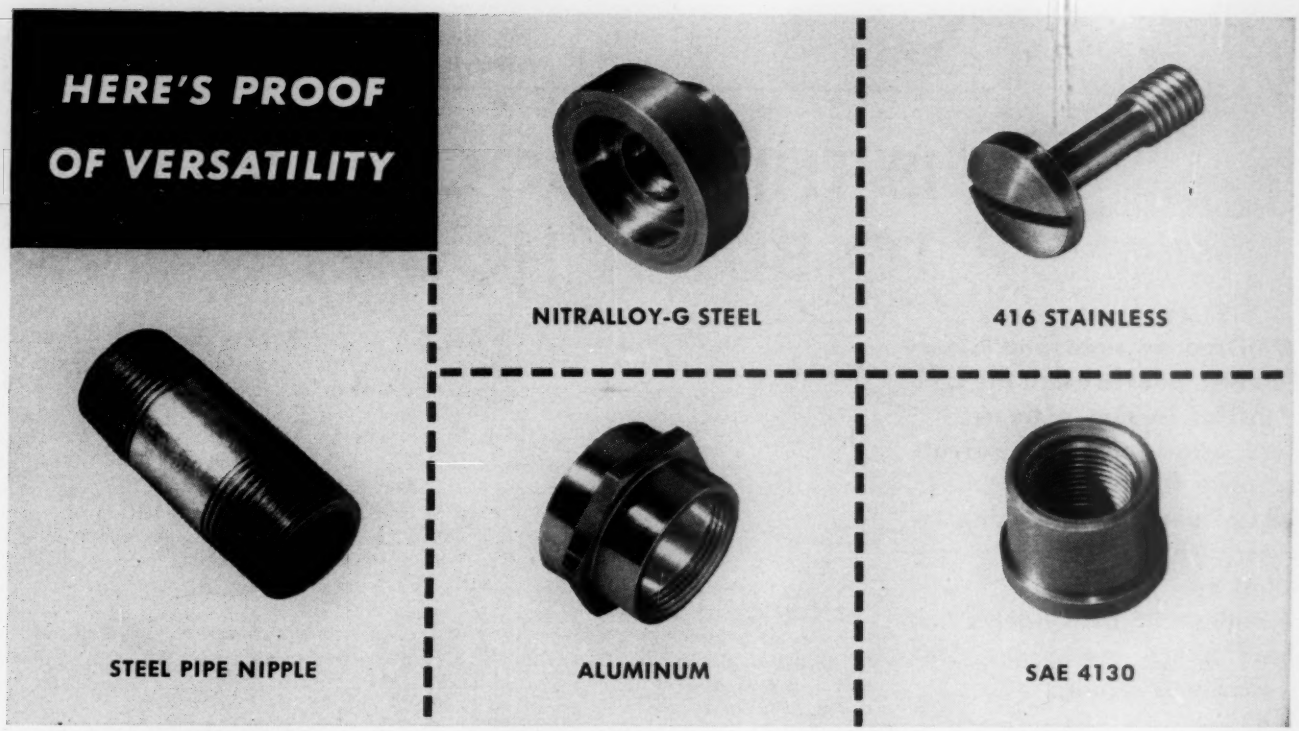
RELEASE FROM SERVICE. The Army says it will give an early release--so they can get home in time for Christmas--to servicemen who are due for discharge during the holiday period. That policy applies only to officers and enlisted men who are in the continental or territorial U.S. and whose separation normally would fall between December 22 and January 2. Except in certain cases, these servicemen will be discharged between December 12 and 21.

TRAVEL DEDUCTIONS. You sometimes can claim an income tax deduction for the expense of traveling to and from work, a decision by the U.S. Court of Appeals for the First Circuit makes clear. In the case in point, a high-school principal twice each week drove to a university in another city, where he taught night classes in accounting. His deduction claim originally was denied on ground the travel wasn't ordered by his employer but was for his own convenience. The Court of Appeals takes a different view. When a person has two widely separated places of employment, says the Court, he is as much entitled to a deduction for "travel while away from home" as is the employe who travels for the benefit of his employer.

VETERANS' INSURANCE. Ex-servicemen will get another dividend payment on their Government life insurance policies in 1956, the Veterans' Administration discloses. The payments will go to World War II veterans who hold participating term or permanent-plan policies, and to World War I veterans with permanent-plan policies. GI insurance of Korean veterans carries no dividends. Checks are to be mailed shortly after the anniversary date of each policy. Size will vary, depending on age of policyholders and length of time the insurance has been in force.

"STAY AWAKE" PILLS. You can endanger your life by taking "goof ball" pills to keep awake while driving at night, a federal official warns. His statement comes out of a Government crackdown on gas stations, cafés and drugstores making illegal sales of amphetamine tablets--often called "good balls" or "copilots." Amphetamines are prescription drugs with important medical uses. But, says Commissioner George P. Larrick of the Food and Drug Administration, they are dangerous when used by persons unfamiliar with their effects. He adds: Drivers taking them may be so stimulated they stay behind the wheel too long; their brains tire, judgment and vision become impaired and accidents may occur.

SOIL SAMPLES. Now is a good time to have your soil tested to help guide spring planting, the Agriculture Department says. For average-sized plots, dig holes spade-deep in half a dozen spots. Take a thin slice of soil, top to bottom, from each. Dry the slices at room temperature, mix together and send half a pint of the mixture to the soil laboratory of your State agricultural college, preferably through your county agricultural agent. Indicate what you plan to plant. There may be a charge, usually about $1.



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Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

IS THIS A GOOD TIME TO BUY A HOUSE?

With money tight and building slower, people ask if the time is right for buying a house.

Real estate men, in private talk, make these points:

Lots of people are looking for houses. Values generally are holding up.

Families with heavy debts find it hard to get mortgages. Still, the market is strong.

NEW YORK

The market for houses is brisk, in spite of tighter credit, and, on the whole, houses show no signs of coming down in price.

In fact, there are some signs that houses will become more expensive.

That is the view of real estate men from all parts of the country. Their opinions are especially significant at this time, when fear is being expressed that the housing market may be overbuilt and that sales will be stymied by inability to get mortgages.

To find out just what is going on, a member of the Board of Editors of *U. S. News & World Report* attended the annual meeting of the National Association of Real Estate Boards, which drew hundreds of brokers and appraisers to New York City. What these men said about conditions in their own home towns adds up to this:

- Houses, new and used, are in great demand. Buyers are not being scared off by stiffer requirements for loans or by talk of a possible slump in real estate.
- People who bought homes four or five years ago are selling today at no loss, occasionally at a profit. But profit on a fast turnover is less likely than it was during the early postwar period when prices were rising rapidly.
- Good land for building houses is becoming scarce and more costly in some cities; building costs are going up.

Many buyers. "I don't think I've ever had so many calls as I have had in recent weeks," a broker from Alice, Tex., reported. Another broker said he saw no sign that sales were slowing in Omaha, Nebr. Reports of little or no slowing came also from men in many other cities.

An exception cited was Hingham, Mass., a town of relatively expensive homes near Boston. But there is a special reason: Hingham's property taxes are high and recently were raised. This is blamed for keeping some house hunters away.

Who is buying the great volume of houses now being built and traded? The demand, as usual, seems to come chiefly from young families with children.

That is true even in a State such as Florida, noted for its influx of older people. A broker and builder from Lakeland said most of his customers were these young families. He is optimistic enough to be starting work on three subdivisions and has financing to carry him into next June or July.

A ceaseless movement of families helps keep the market active. Apparently people do not buy homes for a lifetime but to meet the needs of a few years, with the idea of trading for some other kind of house when their needs change.

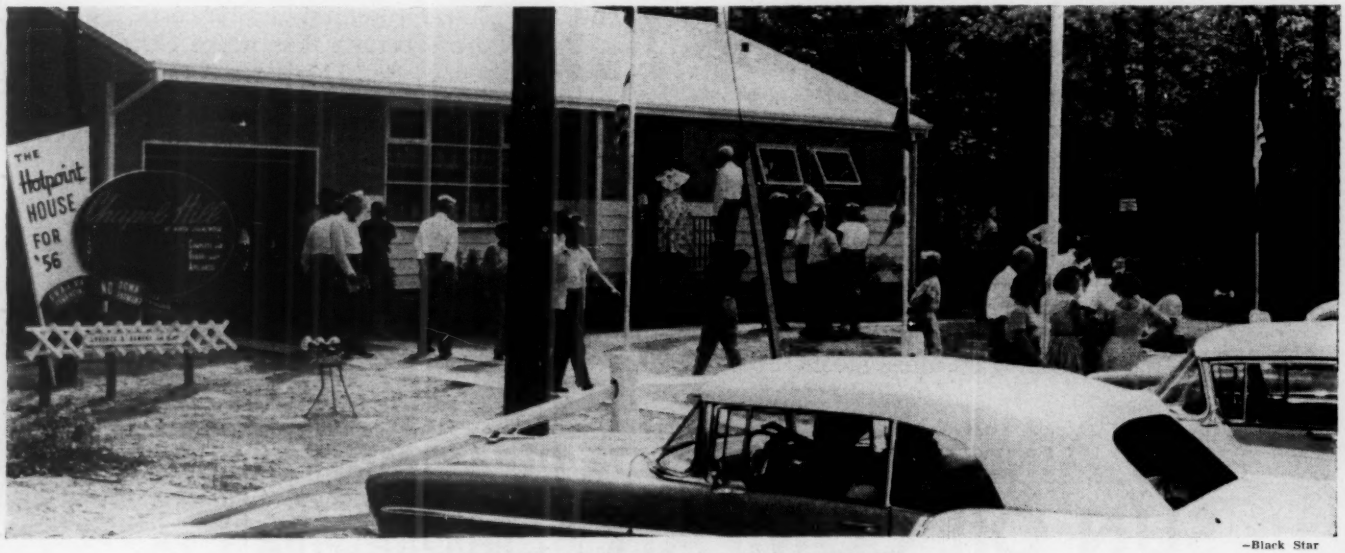
Young couples who took two-bedroom houses soon after World War II, before they had children, now are moving into larger, more-expensive homes. They are aided by profits on their first homes.

Some families with five or six children, unable to afford new houses with all the space needed, are taking big, old houses.

Older people are moving out of large houses in the cities, helping keep up demand for small, suburban homes. They are seeking places that are easier to care for, and a more relaxed atmosphere.

Brokers from Hingham, from Hampton,

(Continued on page 118)



—Black Star

PROSPECTS FLOCK TO A MODEL HOME
Prices are holding up; demand remains high

"That man's gone absolutely wild"

■ Today's high costs are enough to drive any man out of his mind. But here's a soothing suggestion that will help calm both you and your high costs.

If it's high printing bills you're raving about, take a quiet look at the paper you are now using. *The fact is one-third of the average printing bill you pay is paper cost!* Are you still paying premium prices? Sure, papers of equal quality used to cost the same. But not any more!

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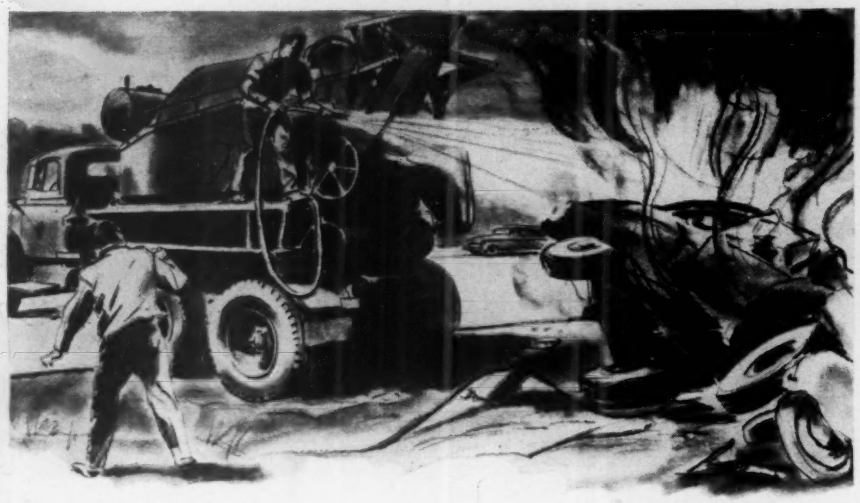

Highway Fire-Fighter

Two cars had just collided outside Magna, Utah, killing two persons, trapping six others as truck driver James E. Backman approached with his ten-ton truck load of wet concrete.

By the time he covered the half-mile distance to the scene the two cars were a flaming inferno. Jumping from his truck he made a vain attempt to put out the fire with his extinguisher. Without hesitation, James E. Backman wheeled the Utah Sand & Gravel Co. truck about, and doused the cars with 150 gallons of "wash-out" water normally used to clean the truck after disposing of the load of concrete. Witnesses (who had extricated two children before the fire started) were then able to reach four other persons trapped alive in the flaming wreckage while he set out flares and directed traffic.

For his courage and resourcefulness, Jim Backman, ex-Marine and Winner of the Bronze Star in combat, earned the American trucking industry's highest award, the Pro Meritis Medal, and was nominated for the national 1955 "Driver of the Year" award by the Utah Motor Transport Association. Drivers like James E. Backman who deliver the goods to Mr. and Mrs. America, can be counted upon for decisive help wherever trouble occurs on the nation's highways.

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. . . Real estate men aren't glum about tighter credit

Va., and elsewhere reported that some of the two-bedroom houses built soon after the war are being resold to older couples. According to one broker, some ranch-style houses with three bedrooms in a suburb near Norristown, Pa., are being resold to older people moving out from town; they may use the third bedroom for storage, when there is no basement.

Other brokers reported some newlyweds are buying two-bedroom houses, just to get started. However, a man from Schenectady, N. Y., said the two-bedroom house is getting harder to sell.

Money problems. Brokers seem to accept rather calmly the fact that it is harder for a prospective customer to qualify for a loan needed to buy a house. A number of real estate men reported that "you have to sell a house two or three times before a deal will stick."

Some house hunters turn out to be heavily loaded with other debts. One broker reported that a prospect sometimes appears to have enough income to carry a mortgage on a home, but, on investigation, is found to be paying $100 or more a month on a car. When so much of his income is tied up for a long time to come, such a prospective buyer can't convince a lender that he is a good risk for a home loan, the broker said.

"A man who is making payments on a car just can't get a mortgage, down our way," said a broker from El Paso, Tex. "The auto salesman is our biggest competitor."

People, of course, have taken on debts for other things, too—television sets, vacation trips, furniture.

Many brokers reported that builders in their areas are having trouble lining up money to carry through the construction period and are cutting down on the number of houses they start. Government reports reflect this drop in starts.

Still, these difficulties seem to be taken in stride by most real estate men.

A broker from Hampton told of a large builder who takes orders on unfinished houses with a "binder" of just $5 or $10. Many of these buyers fail to arrange for money to complete the deal.

But the builder figures his policy pays off. Once the house hunter makes the token payment, he stops looking elsewhere. If he can't go through with the purchase, some other buyer shows up by the time the house is finished.

The Hampton broker had seen no tendency for building to slow down.

Prices stable. Sales problems are not causing prices to decline, in any case, except on certain types of houses, the bro-

(Continued on page 120)

There's a big difference between initial cost and ultimate cost...

Especially when you're buying products like washroom towels

Don't ask or expect a purchasing agent to consider only *price per case* when choosing a brand of towels for company use.

A quality towel—the ScotTissue Towel—costs less in the long run

Consumption cost, *not* initial cost, is the true measure of towel price. The criterion is performance: how many towels are used in a week, a month—how many are used in a year?

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Your local Scott representative or distributor stands ready to tell you more about ScotTissue Towels—and show you a simple consumption test you can make in your own company. Also, Scott offers a "Planned Poster Program" designed to promote washroom cleanliness. It's yours without cost or obligation. Simply write: Scott Washroom Advisory Service®, Scott Paper Company, Dept. US-12, Chester, Pa.

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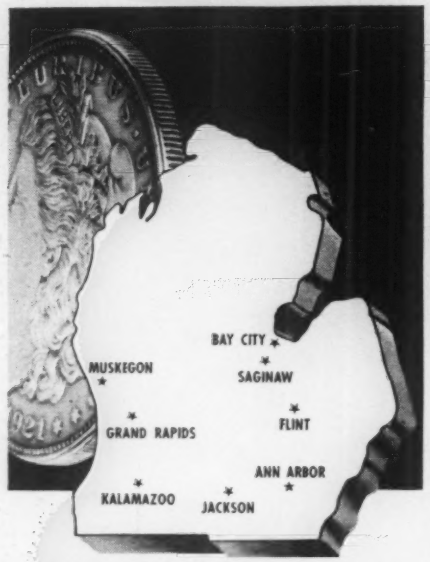

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. . . House prices: Usually, about the same as in 1954

kers said. Their view runs counter to surveys that indicate a general drop in prices of "existing houses," in recent years.

A broker from Omaha said the surveys caused him to check through his records on many houses that had been sold and later resold. He found prices just about what they were in 1951.

A San Francisco man said he built a row of houses in 1923 and sold them for $6,950 each. In 1928, he had to take back 16 on foreclosures. He got rid of the last in 1930 for $3,750. After World War II, prices rose steadily and now have reached $12,500.

The man from Norristown said new ramblers in a development sold originally for $10,000 to $10,500, five or six years ago. Today he is handling resales at $11,500. The going price, he said, was the same in 1954.

An appraiser from Indianapolis said he is using the same valuation factor this year as last, but is reflecting some increased costs in valuing "extras" added to the original plan to make a house more saleable.

There are stories of price reductions, too.

The El Paso broker-builder said he built houses in 1948 which sold for $7,100 to $7,200. In 1954, some changed hands for $8,700. Now others are being resold at $8,000.

Other men told of prices being marked down on certain kinds of homes. The broker from Schenectady said the people who buy older houses want a price low enough so they can afford considerable remodeling.

An Indianapolis broker said that occasionally a builder has to dicker and come down in price to sell a house that costs more than $20,000.

Several men told of trouble selling homes in a "medium" price range. In El Paso, demand is said to be best for houses priced from $8,000 to $12,000, and above $25,000. A man from Poughkeepsie reported that sales in the $20,000-to-$30,000 price range are a "little slow," while cheaper houses and those priced from $30,000 to $50,000 "sell like hot cakes."

The luxury market. A broker who specializes in very expensive estates all over the U. S., the Caribbean area and, even, in France, reported a booming business. His San Francisco office recently made its biggest sale, at $225,000.

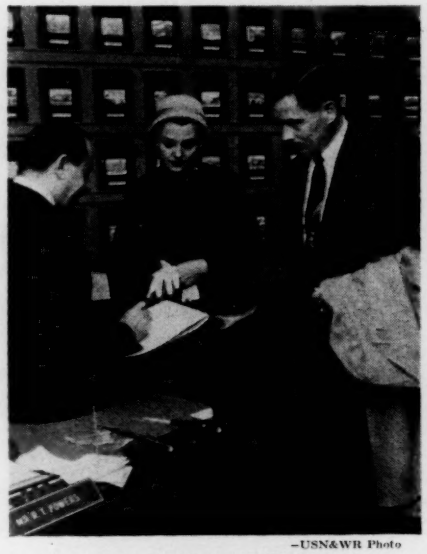
In resort areas, he said, prices are "almost unlimited."

Conditions have changed, however, since the last big boom in estate buying, in the 1920s. Spanish-style architecture has lost favor, this broker said. The areas that still have a plentiful supply of domestic servants can command a premium. Vast dining rooms, ballrooms and libraries of older mansions are not so important now to wealthy buyers. "The most important rooms nowadays are the kitchen and playroom." Newer homes in the top-price class tend to be smaller.

A Miami Beach, Fla., broker told of a vast mansion built for $500,000 in 1929 and sold recently for $53,000.

Rising costs. Brokers reported that, because of increases in building costs, prices of new houses are higher this year than last. This is in line with Government studies.

Furthermore, builders are facing still higher costs. They are absorbing some of these temporarily, to keep prices in line with appraisals made earlier by the Veterans' Administration and Federal Housing Administration. They will try for higher prices when new plans for building are submitted.



–USN&WR Photo

IN A REAL ESTATE OFFICE . . .
. . . more calls than ever

A broker from Hinsdale, Ill., not far from Chicago, said it is becoming hard to find vacant lots.

Around Denver, scarcity of water is said to have boosted prices of unimproved land near water lines to as high as $6,000 an acre. An official of the Real Estate Board of Lansing, Mich., said lots that could be had for $1,500 three years ago now cost $3,000.

The brokers' talk of rising costs, stable prices and brisk **demand is good** news to people who have money invested in houses. It is also reassuring to those who want to buy and wonder if now is the right time.

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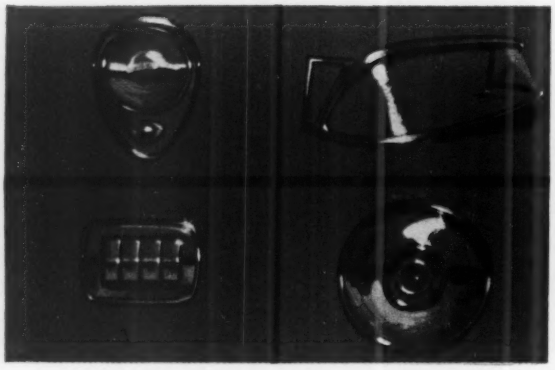

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ON RED CHINA

SKIRTS COME BACK

HONG KONG—A counterrevolution in fashions is spreading throughout Communist China.

No longer is the "people's uniform"—a high-collared cotton jacket of gray or blue, with full trousers and visored cap—the only accepted dress in Red China for men and women at work, at play or attending official banquets. Instead, you find Chinese women beginning to appear again in the traditional slit-skirt dress and even in Western-style dresses or blouses and skirts. The men are wearing coats and ties, and children's clothes are as colorful now as they were before the Communists took over.

This change is not an expression of rebellion against the Communists. In fact, the Red Government itself is behind the drive to feminize the Chinese female. One new decree, for example, says, "There must be difference between the attire of men and women."

Practically all of the people coming out of China these days remark about the new styles—and most of them have a theory about it. Some believe the Reds decided to let the people wear brighter colors in hope it would take their minds off the shortages of food and housing. Others think the Communist leaders were stung by wide comment abroad that they have converted China into "a huge barracks," and that its people are "a sea of mass drabness."

It is also suggested that the Communist leaders may be getting ordinary civilians out of uniform so that a uniform will be worn as a privilege by Government employes only.

Cutting costs. The Communist leaders themselves stress the economic factors involved in switching to more colorful garments. The heavy twill uniforms require more cotton than do the new styles; dark colors, twice as much dye as lighter shades. A small, widely spaced light print needs the least dye of all, so it's not surprising that the Reds are pushing that design. Also, it is economical to dig out bright old clothes from the chest in which

(Continued on page 124)

—Eastfoto

IT'S O. K. TO LOOK LOVELY IN CHINA NOW
. . . shopping for bright colors is encouraged

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memo

. . . The "new look" in fashions for Chinese Reds

they have been deteriorating. And it would be foolish to have the old clothes dyed a drab color and made into a uniform.

The fashion revolution is not limited to women's wear. Men are also encouraged to wear Western-style suits and are told that "the color should be more varied." As for children, the Communists have ordered that "they should wear as colorful dress as possible to show their happy, lively, young and gay spirit."

Despite the decrees, the Reds still find opposition to the switch. A well-known Chinese painter complained recently: "My wife made our 16-year-old daughter a flowered frock to wear on the last public holiday, and she looked very pretty. But, when she went out, she insisted on putting her gray uniform jacket over it. There's public opinion for you."

Ai Ching, a leading Communist poet, testified at a recent fashion forum: "Some girl students from an art academy came to see me. I asked them why they didn't want to wear pretty clothes. They said that, if they did, someone would be sure to make remarks.

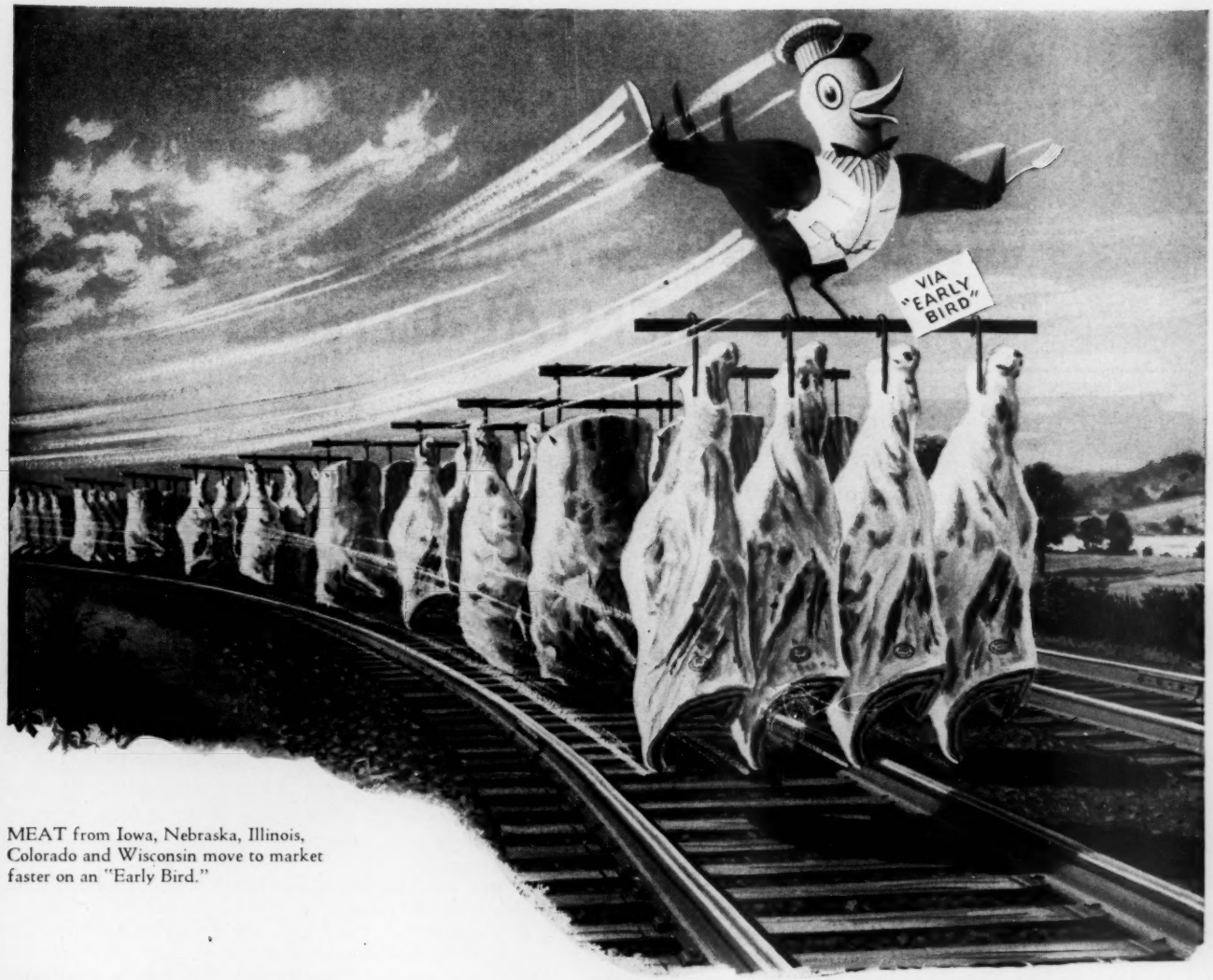
"Other girls told men there was a tendency to think that anyone who dressed smartly was 'backward'—that is, that they thought of themselves rather than of the country. As if being progressive was dependent on wearing drab colors!"

Background of fear. Ai Ching failed to mention that, only a few years ago, a woman wearing bright clothes or jewelry was certain to be investigated by Government agents interested in her "bourgeois background." Or her husband's office would suddenly be invaded by income tax investigators wanting to check his books and business relations for years before the Reds came to power. It's conceivable that many Chinese women have not forgotten the days when it was politically dangerous to wear nice clothes.

The women are on official notice now, though, that more-feminine attire is quite the thing. The notices come from a woman official—the vice minister of the textile industry.

China's women, she says, should not use "lots of rouge, face powder, fancy dress and spend their whole time adorning themselves; but they should dress up a bit where economy and conditions are permissible." Then comes the admission that no woman Communist would have dared to whisper just a few months ago:

"All of us want to look lovely and attractive."



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To cut distribution costs in supplying Eastern markets with their daily ration of fresh meat, Western and Midwestern packers use New York Central's "Early Bird" service.

"Early Bird," the fastest rail service in the East, slashes as much as 24 hours off old freight schedules. The Chicago to New York City run is made in as little as 22 hours.

For the meat packing industry this means Eastern inventories, slaughtering and warehouse requirements are reduced. There's a saving of the cost of one icing for reefers, less shrinkage and spoilage of perishable commodities.

Freight cars arriving from west of the Mississippi and south of the Ohio Rivers merge with the "Early Bird" fleet at East St. Louis, Peoria, Chicago and Cincinnati Gateways. Local-origin freight departs on "Early Birds" from East St. Louis, Peoria, Chicago, Detroit, Cleveland, Cincinnati and Indianapolis for Buffalo, Boston and New York.

No matter if you ship perishables or general freight, routing shipments via New York Central's "Early Birds" means finer, faster service. Ask your New York Central Freight Representative to show you how the "Early Birds" can serve your needs.

A few of the commodities recently shipped via "Early Bird" service:

FLOUR from Minnesota and Indiana . . . BRASS from Missouri . . . CHLORINE from Louisiana . . . CLAY from Alabama . . . TRUCKS from Ohio . . . CARROTS and LETTUCE from California, Texas and Arkansas . . . BEER from Wisconsin . . . LUMBER from the West Coast . . . FURNITURE from Indiana . . . BUTANE from Oklahoma.

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Interview with DR. WINFRED OVERHOLSER

Former President, American Psychiatric Association

WHAT YOU SHOULD KNOW ABOUT MENTAL ILLNESS

Mental hospitals in the U. S. are getting more patients every year. Why? Is mental illness increasing? Are Americans cracking under the strain of modern life?

If a person becomes mentally ill, what are his chances of being cured?

Such questions are answered here by Dr. Winfred Overholser, a noted psychiatrist, in an interview with the Board of Editors of *U. S. News & World Report*.

Dr. Overholser also tells, in this interview, what to watch for as the first signs of mental illness.

And he describes what psychiatrists, aided now by new drugs and treatments, can do to heal the mind that cracks.

Q Does everybody have some sort of neurosis, Dr. Overholser?

A I suppose that the perfectly adjusted individual, the person who has no symptoms which might be termed by some at least as neurotic, would be a very dull person indeed. In other words, it's our idiosyncrasies, our traits of character, of reaction, and so on, that make us individuals instead of robots.

Q But when they get out of balance, it's bad—

A That's right.

Q What do you mean by a neurosis, or neurotic?

A That is different from psychotic, but the distinction is not always entirely clear. In general, a psychosis is roughly the equivalent to what the lawyers refer to as insanity. That is, there is a general disturbance of the whole personality. The person is so seriously disabled as a rule that he is really pretty much out of touch with things and is disabled from carrying on any regular occupation.

There is another type of mental disorder, referred to generally as neurosis, which includes such things as hysteria—this is relatively rare now, as a matter of fact—various states of compulsion, states of obsession or of anxiety.

Q Is there a hopeful prospect for the average person who is sent to a hospital with mental illness?

A I've never yet given a certificate that any patient was hopeless. I realize there are some States in which divorce is granted for "incurable insanity"—a terrible combination of words. I've never given an affidavit for such a thing. Some judges have inferred from what we said in an affidavit that the prospects of recovery were not good, but you do sometimes see patients who show apparently spontaneous improvement when it is least expected and where it is least expected.

I think it is a dangerous thing to say that anybody is hopeless. I bar the cases of extreme old age where you have a very considerable degree of brain damage. You are not going to expect to get a restitution in the damage that's been done. I think one ought to be very, very cautious about giving a prognosis.

Q But isn't that a popular belief: Once a mental patient, always a mental patient?

A I realize that. There are more delusions prevalent among the public about mental illness than any other one thing. That's one notion. There's one that they're "railroaded." Another is that: Once you're in, you're never out. Actually, a great many patients leave the hospital under their own power and do well outside.

Q Is the number of people in the mentally ill class growing or diminishing in the country as a whole?

A I'm not sure we know. We know of a certain portion—namely, those who are in institutions. We have some good statistics on them, and that number is increasing.

Q Very substantially?

A Yes—largely on account of the aging of the population. That is, the increase of the population of the hospitals is predominantly in the upper-age group. There are many more of them in the community.

Q People are living longer—

A Exactly.

Q And the longer you live the more chance you have of getting a mental illness?

A Correct. I think unquestionably.

Q What's the cause of it—hardening of the arteries?

A Primarily that, yes—a general physical deterioration that goes along with advancing years, hitting some a good deal earlier than others, of course. So, you have an organic basis for it.

Q The increase of the life span, then, isn't such a welcome thing, is it?

A In that regard it is really raising some new problems.

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Danger Signs: Too Many Daydreams, Depressions Without Real Cause . . . New Drugs, Shock Offer Hope

Q Have they found anything to help or prevent hardening of the arteries?

A I think that's one of the unsolved problems yet. I'm sure that general hygiene, physical as well as mental, is desirable. There's some indication that worries and anxieties, fears of being useless, fears of being unwanted, and so on, may be factors in bringing about mental illnesses of later life.

Q That wouldn't be true of a hardening of the arteries, though, would it?

A Well, that may be a factor, because it's thought to be that high blood pressure has some psychological factors in it, too.

Q Do you find the incidence of mental illness is greater among men than among women?

A There is a slight predominance as to women, because women are more durable than men. They live longer.

Q Well, if all of us are going to live to grow old, does that mean that all of us can look forward to mental illness?

A Oh, no. I suppose if one lived to be 125 or so, you could expect that about everyone would have gone to pieces mentally.

Q What percentage of older people are affected?

A Again, that depends on where you draw the line. There are a lot of problems involved here that are not solely medical. There are many persons who as they get older have a certain impairment of memory. Now, that in itself is not enough to lead to a mental hospital. Some of them, however, develop ideas of their being robbed—sometimes by their children. Maybe that isn't always a delusion; I don't know.

And they have various additional symptoms—periods of confusion, restlessness, sleeplessness, wandering about in or outside of the house, becoming untidy as to their excreta. These symptoms make them somewhat of a hazard to themselves or very much of a nuisance to the rest of the family. And in that situation, where there are not many single houses, it sometimes becomes very difficult to care for such a person at home. Technically he is mentally ill, and there is a mental hospital to send him to--he is committable—and yet there are a good many patients who, after a short period in a mental hospital, get on to a somewhat more even keel and could be cared for in a sort of a halfway house, a nursing home, or something of that sort.

One of the big problems today in the mental hospital is that the population of the institution is made up to a very considerable extent of old people, many of them, of course, physically infirm as well as mentally infirm.

Q Is there anything to the idea that because civilization is getting more complex it is causing more mental illness?

A That, I know, is a tempting theory, but I'm not sure that it's statistically valid. As far as mental hospitals are concerned —if we may confine ourselves to that for a moment, because we don't know how many people outside are suffering from neuroses or even mild psychosis and are in need, or at least would profit by, a certain amount of psychiatric attention—there has been at least one study, in Massachusetts, which seems to indicate that over a period of 100 years there has been no substantial change in the age group between 20 and 50 in the ratio of general population, that is, of hospitalization per 100,000 of persons of the same age group in the community.

The tremendous rise has been in the population past 50. One hundred years ago, you see, there weren't so many people who passed 50.

Q People can stand the stress and strain under 50?

A Yes, and I am struck by the fact that most people can stand a great deal of stress and strain. The human being is a pretty durable specimen.

Q What is to be done about mental trouble in one's family or among one's close friends? How early can you detect it and how do you detect it?

(Continued on next page)

DR. WINFRED OVERHOLSER is superintendent of St. Elizabeths Hospital, mental institution in Washington, D. C., operated by the U. S. Department of Health, Education and Welfare.

Dr. Overholser also teaches psychiatry at the George Washington University School of Medicine and is editor in chief of the *Quarterly Review of Psychiatry and Neurology*.

In 1947-48, Dr. Overholser was president of the American Psychiatric Association.

A Of course, there are many symptoms of mental illness. In the first place, a lot of people hesitate to admit the presence of a case of mental illness in the family. I think that this proportion is much smaller than it used to be. I'm sure that the public is getting a much more rational and enlightened attitude toward mental illness than it had even 25 years ago. I think there is much, much less of the stigma that attaches to mental illness than there was, and I think that's all very gratifying. It's much better for the public, it's certainly much better for the patient, particularly for the patient who is returning to the community after he's been in a hospital.

There are many types of mental disturbance which never call for hospital care. Many persons are ambulatory, taking care of their jobs after a fashion. They may not be hitting on all six or eight cylinders, as the case may be, and would be considerably more efficient and happier if they had some psychiatric attention. These are some of the milder cases of neuroses. There are certain other symptoms, however, which are somewhat more alarming, shall we say.

A lot of families talk about "nervous breakdowns." From the medical point of view, there's no such thing. That phrase means nothing. It takes in so much that it means nothing.

Q It's a good euphemism, though, isn't it?

A That's it exactly. Yes, it is very convenient. I think that a good many of the cases that are referred to as "nervous breakdowns" are mild depressions, and I have an idea that, in general, the public doesn't appreciate the potentially serious nature of a depression. It's worth bearing in mind that there are about 25,000 suicides every year in this country.

I think that the vast majority of those people were suffering from a depression. Some of them, I regret to say, even had been seen by doctors, and in spite of that—perhaps the family would be reluctant to have them go to a hospital where they could be protected against themselves.

I suppose that's one of the serious signs—if a person loses his zest for life, if he becomes blue and withdrawn and loses

"PATIENT'S PROGRESS"—AT ST. ELIZABETHS HOSPITAL

NURSE attempts to draw out a patient on the subject of her feelings toward her surroundings at the hospital

PATIENT talks with psychiatrist, who assesses her mental state, tries to restore her appreciation of reality

HYDROTHERAPY, or the so-called continuous bath, is one of the forms of treatment available at St. Elizabeths

his interest in his job, I should say that he certainly ought to see a medical man, at least.

Q Are there also symptoms such as loss of appetite?

A Usually loss of appetite and very frequently sleep disturbance. The general vegetative functions, as we say, are impaired. The person is just "down" physically and emotionally.

Q Over a long or a short period of time?

A Well, these things may run a long course, but sometimes they are quite brief. Fortunately, we have found that electroshock is almost specific in the case of a depression. It seems to shorten the depression, and the person who is in a depression, believe me, suffers terribly.

Q In what way?

A He is self-accusatory, feels that he is unworthy, is sure that he has brought disgrace on himself and the family, that he has committed the unpardonable sin.

Q And the shock treatment is helpful?

A It is very helpful in such cases.

Q Who administers it—the hospital?

A It is a medical procedure, and to my mind it should be given in the hospital.

Q Isn't it just like getting electrocuted?

A Not quite. An electric current is passed between the temples and causes a period of unconsciousness with very violent, convulsive movements.

Q Is it dangerous?

A There's a certain amount of risk, I think rather slight, but there is some risk to it.

Q What does it do? How does it cure them?

A We don't know. It's entirely empirical.

Q What brings about the depression?

A There are various things. Sometimes, of course, there are conditions under which a person ought to feel depressed, in which he is reacting to a situation which is depressing. But a good many of the depressions seem to come on with no observable exterior cause.

(Continued on next page)

WEAVING is just one kind of occupational therapy. Some patients' backgrounds make this particularly suitable

CHAPLAIN discusses with a patient any religious conflicts that might have bearing on her mental difficulty

DANCE THERAPY helps to give bodily expression to feelings, also brings out patient's interest in group participation

—National Institute Of Mental Health

PATIENT GOES HOME. Contrary to the belief of some, many patients get well, are able to resume normal life

. . . "'Good' child" can be worse off than one "raising the devil"

There is a type known as involutional melancholia, which characteristically comes on in later life, along in the 50s and the 60s. There is a terrific amount of restlessness and self-accusation.

Q Would that be because of "change of life"?

A Well, it was so named originally because it occurred in the "involutional" period. How much it has to do with the changes in the sexual glands isn't quite clear. At least treatment with substitute drugs has not been particularly successful.

One of the most common types of mental disorder is schizophrenia, formerly known as dementia praecox. Some of the cases run a pretty malignant course. This can occur in childhood even, as we now know. Children 5 or 6 or 7 years old may develop this sort of illness. In schizophrenia the notable thing to the observer is the withdrawal of the patient's attention. He loses his interest. He crawls into his shell, as it were.

Now, some of these children and adolescents may be referred to as very "good" children. They are no problem, particularly. They stay to themselves. They crawl into a corner with a book—which may or may not be upside down—ruminating, engaging in daydreams. I think that is a much more important symptom, a much more malignant symptom, than the child exhibits who is going out and raising the devil.

In other words, it is much more normal for a child to be outgoing, to take an interest in what's about him, the people who are about him, the things that are about him.

When a child loses interest in the outside world, it is a pretty malignant sign, and it certainly calls for psychiatric attention.

Q Are there enough psychiatrists in the country today?

A Oh, I think not—I'm sure not. I know, at least, that in the mental hospitals in general there is considerable difficulty in keeping up an adequate staff of senior people.

WHAT PSYCHIATRY COSTS—

Q The general public has the idea that a psychiatrist is someone you go to who charges you $25 a visit—

A I don't know what the going rate is in Washington. The question about the costs of psychiatric care—I hope I don't sound too defensive in saying this—when you go to, let us say, the nose and throat man or, as I did recently, to a dermatologist, and I think I was in his office 10 or 15 minutes, yet you may go to the nose and throat man and be there five minutes.

Now, when you go to a psychiatrist, you have a situation that extends over a lifetime—it is a question of what has gone before for a long, long time. For digging up some of the difficulties that led to the present situation, you are going to need quite a bit of the psychiatrist's time.

Of course, the expense of training any specialist these days is pretty high. It involves a lot of time and good bit of money, too, and I suppose it's perhaps not too much out of line if you'd pay $10 to a nose and throat man for five minutes and the psychiatrist might charge for an hour $15, $20 or $25. The question lies in the time involved, just as when you pay the plumber.

Q What does the psychiatrist do for the individual?

A First of all—and I hope it's clear that a psychiatrist is a medical man—psychiatry is a specialty of medicine. The psychiatrist is not a Ph.D., or some other nonmedical person interested in the mind. He's a medical man.

Q Is a psychoanalyst a medical man?

A Psychoanalysis is a specialized psychiatric technique.

Q Do they have to have a medical doctor's license to practice?

A I'm sure that they should.

Q But do they?

A Certainly anybody who is a member of the American Psychoanalytic Association or any of the standard psychiatric associations must be an M.D. There are some States where the laws seem to be a bit loose. I remember once on a San Francisco street seeing a sign in the window: "Tea leaves and psychoanalysis."

It is a medical specialty, and that is certainly the generally accepted rule in this country and I think now in most of the European countries.

There are a few lay analysts. Of course, Freud's own daughter is not an M.D., for example. She practices in England. There are some very well-trained analysts who are not medical men. After all, in any mental disturbance there is always the possibility that you are dealing with a basic physical disorder which is causing the mental symptom.

You cannot separate the mind from the body. The individual is a person, and he has certain symptoms which are referable to bodily organs, and sometimes those are mental in origin. He may have other symptoms which he refers to himself in the nature of worries and anxieties, or he may be behaving in such a way that he's causing a good deal of concern to the people about him. He may become, indeed, quite a menace to himself or others. The number of those who are violent is ~~really~~ relatively small. I think far more of them are unduly quiet.

SEEKING THE TROUBLE—

Q Well, going back to what the psychiatrist is supposed to do for you, how can he clear up these things?

A First of all, he will have to satisfy himself that he is not dealing with incidental manifestations of some physical illness. That's pretty important. You don't want to be treating a man for psychogenic headaches—headaches due to an emotional state—when perhaps he has a brain tumor. That really isn't going to help the brain tumor very much, you know. Of course, there's nothing to prevent a person from having some physical disability and, at the same time and more or less concurrently—you never can say that things are not related—some sort of emotional disturbance.

Then, again, sometimes the complaint is fairly well traceable to something in the environment—situations at home or in business—that may be stirring up difficulties within him.

Q Are those removable?

A Sometimes, of course, that's pretty difficult. You have a reality situation. Here's a person who is getting along on a small salary in a clerical position—you can't tell him that he ought to take a long vacation in Florida. There are some situations that are very difficult. The best you can do, perhaps, is try to elucidate the relationship between the complaint and the situation and teach the patient to carry it a little better.

But, of course, a fair number of these conditions are traceable not to the immediate situation, except quite incidentally, but primarily to a situation that had occurred long before, which may have been "forgotten"—nothing is really forgotten, barring damage to the brain—but may have been repressed, may have been stored away in the unconscious

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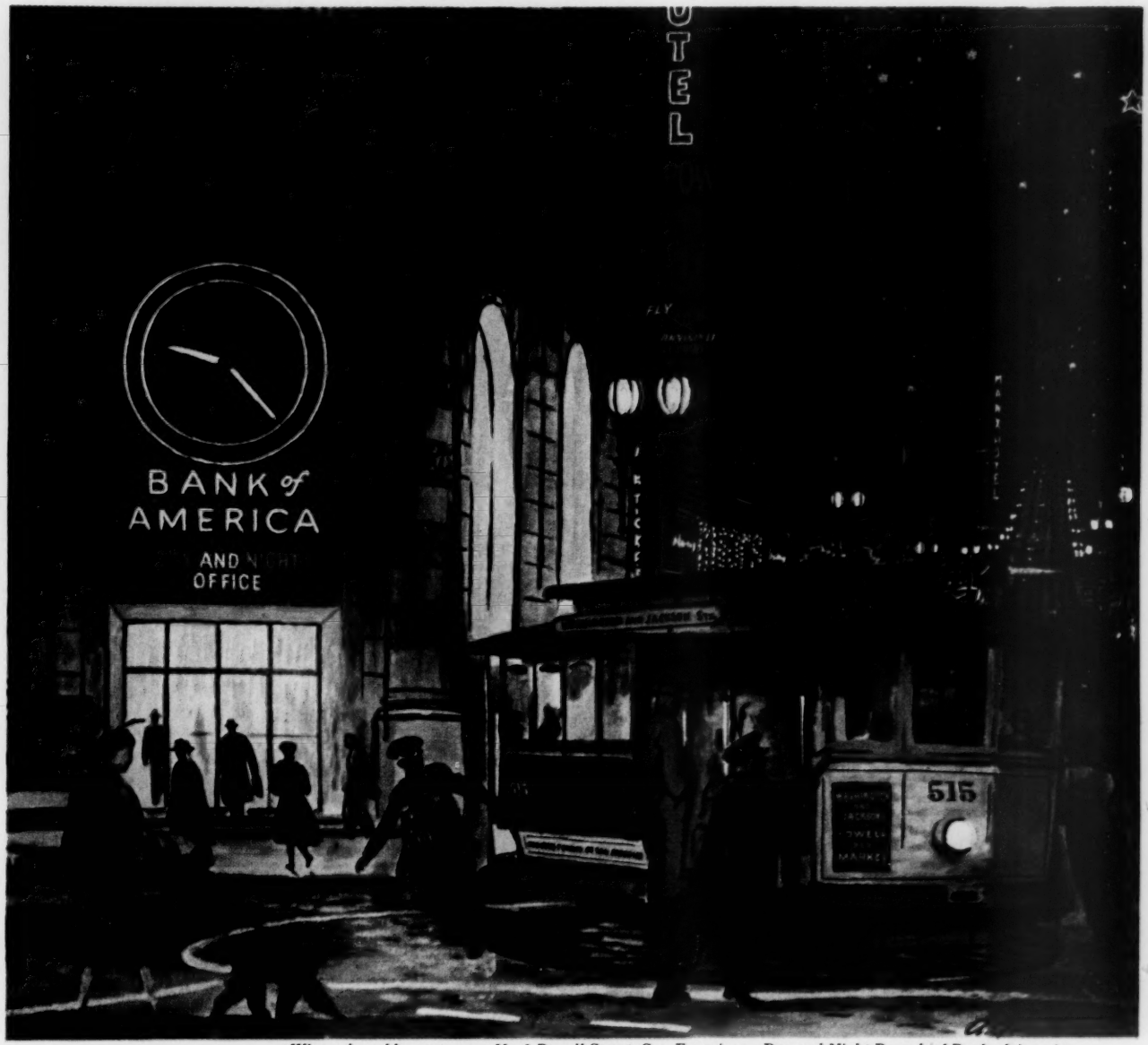

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and may be seeking a channel in a symbolic or distorted or disguised way.

Q Is it the theory that bringing things back which happened before will clarify the situation for the individual?

A Hopefully, if the basic situation which seems to be related, even pretty much in the unconscious, can be brought to light, it can, not infrequently, be made comprehensible to the patient in such a way that he can deal with it.

GOAL: SELF-UNDERSTANDING—

Q Is the end result of psychiatric treatment some recommendation?

A What we are aiming at is self-understanding.

Q You don't give the patient a cure of some kind?

A No. Of course, nowadays we have a few drugs. There is one drug, for example, that is sometimes used as a short cut in obtaining unconscious material. It was used during the war, especially, in some of the acute neuroses that developed as a result of combat experience—sodium amytal.

Q Is that the so-called "truth" serum?

A Yes. Of course, it doesn't always get the truth and it isn't a serum at all. Aside from that, the term is substantially correct. Between the period of complete wakefulness and sleep there is a twilight zone; that is what we try to achieve by a slow intravenous injection of this drug in which a lot of material which isn't available to conscious recollection sometimes comes out. It was found very useful in the acute war neuroses. It is not so useful in the more deep-seated and long-standing conditions.

Q Do most of those things originate in home life or on the job?

A I think perhaps the bulk of the situations that arise are traceable to childhood and early life.

Q What are the causes of mental illness that go back to childhood? Is there anything that you could recommend to parents to prevent that sort of thing from getting started in their own children?

A Yes. I suppose the most important single thing in the life of a child is to feel that he is wanted and loved. Next, physical manifestations of that feeling on the part of those about him. A great deal is made of the very early relationship of the child with the mother.

Q How early?

A At birth. The roots of mental illness appear to be laid very soon after birth in feelings of isolation, loneliness and apparent desertion. That's the basis for keeping the child with the mother immediately after birth and during the stay in the hospital—so that the child doesn't develop these feelings. Apparently the dangers of coddling, or, as some would say perhaps, of spoiling, children have been much overestimated. It's probably far better to spoil a child than to give him grounds for feeling that he's not wanted or loved.

Q That applies all the way through childhood?

A Yes. Because that tends to promote a feeling of security. Of course, the only trouble is that there are cases in which this overaffection isn't broken off when the child grows up. We have known of cases in which adults of quite mature years will still be tied to their mothers' apron strings. There is a time at which the child ought to be encouraged to think and act for himself.

Q Is that what is called the father or the mother complex?

A Oh, there are lots of complexes. I think we refer to that one particularly as "maternal overprotection."

Q At what age should protection be diminished?

A I should say when the child is 7 or 8 he ought to be, so to speak, gradually weaned—that is, given a little more opportunity to express himself as a person rather than as an echo.

Q The British send their children away to school at 8—

A Yes, and I wonder about that, too. And yet many people seem to have survived it.

Q You don't think it's so good?

A I should question it in general.

Q As to the home environment versus going away to school: What about this at high-school age—is it wise or unwise?

A I don't know what the educators say, but I should think that, in general, the home is better unless there's a special indication.

There are some situations, for instance, in which a child would be better off under a fair amount of supervision in a boarding school away from home. Sometimes the home situation would make it far preferable to be away than at home.

I don't mean that every home is ideal by a long shot, unfortunately. But by and large I should think that even at high-school age home is better. Furthermore, there is this: In boarding schools of high-school age, as a rule, you have only one sex, and, after all, children have to learn to get along in a world that is bisexual. There are both males and females in it.

Q Then they shouldn't go away at high-school age?

A I should say, as a general thing, probably no. I should say there are other situations in which it is decidedly indicated to be desirable.

HAZARDS OF HOME LIFE—

Q In the case of a family where there is only one child and there is the chance for it to be spoiled, should the child get into an environment with other children?

A The chances are that if the child is being spoiled at home, the parents won't recognize that fact. They'd be reluctant to send him away.

Q Wouldn't it be better for him to be away?

A That is one of the sorts of situations in which he would be better off away from home—or where there is a bickering in the home, where there has been a divorce, where there is a feeling of uncertainty on the part of the child as to where he belongs, who his folks are. However, I certainly wouldn't indict the private schools. I think they serve a very useful purpose.

Q But the vast majority of our people do go to public schools and to coeducational schools—

A Yes, exactly.

Q Do you prefer the coeducational college to the exclusively men's or women's colleges? We know you're a Harvard man—

A Yes, but don't forget Harvard is now coeducational. They have students of both sexes in the classes. They don't call it coeducational. They refer to it as "conjoined."

Q Well, what is your thought on that?

A I suppose, again in general, that it might be desirable to have coeducation. I believe in coeducation. Certainly, however, colleges are in a somewhat different situation, particularly where there is an opportunity to see college girls without it interfering too much with their studies—

Q In the big cities, for example?

A Yes. In some of the isolated country areas, I can see where it might not be so good.

(Continued on next page)

. . . "As a general thing, I think spanking is overdone"

Q What kind of advice can you give parents as to the problem of disciplining the child? You say the most important thing to give a child is the feeling of being loved and wanted, but, as a practical matter, parents have to place limits on a child's activities, don't they?

A Of course, no one can do as he pleases, young or old.

Q Is there an age at which you should suddenly crack down?

A I think it should be quite consistent. I think consistency is, perhaps, the most important thing.

Q You mean from the time the child is a tiny infant on?

A Yes, as between one week of discipline and one week of freedom from restraint. One time the child gets a spanking or whipping, and the next time the thing is overlooked. The child wonders how he got away with it that time, and he doesn't know where he "is at."

Q Should you give him a spanking?

A As a general thing, I think it's overdone.

Q Aren't people saying now that children are not getting enough of it?

A Well, maybe that's right, but there shouldn't be too much of it.

Q There's no reason why spanking and love can't be demonstrated at the same time, is there?

A No, that's true, too. The child has to understand that there are certain things that are permitted, that are proper, and there are other things that are frowned upon.

Q In other words, spoiling a child can create as many mental disturbances as it can prevent?

A Yes, I think so.

Q What do you think about forms of punishment? Do you think a withdrawal of privileges is a good means?

A I think that is far more potent, far more effective, than a spanking.

Q What about the argument that you can spank a child and get it out of your system and get it out of his system and then show great affection?

A Well, then, he doesn't know what's what. I think very often the spanking is done for the psychotherapy of the parent rather than the child. It should never be done in anger.

WHEN A CHILD "WITHDRAWS"—

Q When a parent notices a child is withdrawn and moody, does that mean that irreparable harm has been done to that child's mental health?

A Not necessarily irreparable, by any means, but I think it calls for attention.

Q It may be a sign that something is wrong?

A That's right.

Q Well, what should be your next step? Should you go to the family doctor, or call in a psychiatrist?

A I am inclined to think that where there is a child-guidance clinic at all available, the child ought to be taken there. It's a quite specialized field of psychiatry. Many psychiatrists, you know, don't care to deal with children.

Q But you think it takes somebody besides the parents?

A Yes, I think very often some one outside the family can make a much better approach to the child.

Q What would be your observation as to the relationship of the general sex problem to the mental balance in this country? Do you find a preponderance of mental cases among men and women who are unmarried?

A The only study that I know of was made some years ago and was based on a large number of patients in the Massachusetts State hospitals. It appeared from that study that the lowest rate of breakdown was found among the married. Next to that came the single and the widowed. The highest of all was among the divorced.

Very often it is found that in divorces there is a considerable neurotic element, an element of maladjustment of the individual, which results, perhaps, in his picking a partner who is also maladjusted. Likes seem to seek likes sometimes, and then shortly there's a bust-up. Of course, we've had some startling cases of repeated divorces. You don't even have to go as far as Hollywood. There are instances of people who have had three, four and five divorces. Well, that is not very likely to be just bad luck.

EFFECTS OF NEW DRUGS—

Q What would you say is the progress that has been made with drugs in handling the mentally ill in this country?

A Recently we've been very fortunate in two drugs having come along which offer something entirely new. One of them goes under the trade name of "Thorazine"—that's the American trade name. "Chlorpromazine" is the technical name. It is a synthetic which was developed in France in '51. The other is the alkaloid from an Indian shrub called the snakeroot, which is known botanically as Rauwolfia serpentina. The alkaloid, reserpine, is put out under various trade names.

These two drugs, although they are quite different chemically—one being a synthetic and the other an alkaloid from a plant—have the curious property of calming the patient, reducing anxiety, reducing motor overactivity, while, at the same time, the patient remains clear mentally. You see, most sedative drugs make the patient groggy, and sometimes, if you are going to quiet the patient down, you have practically to reduce him to unconsciousness. But you don't with these drugs. They are really quite remarkable.

Q How long have they been in use?

A They only isolated the alkaloid in 1952. So they are quite new.

Q But in India they aren't, are they?

A In India they've been using the root itself—which is about a thousand times as weak as the alkaloid—for hundreds of years on an entirely empirical basis. And, indeed, we don't know right now just what the pharmacology of those drugs is.

Q What is the advantage of keeping the patient conscious under those conditions?

A Then you can do something with him in the line of approaching him and his problems. He can discuss his problems much more freely without getting anxious about them. Many patients are being kept out in the community now by the use of these drugs who, I am quite sure, would either still be or who would have been in mental hospitals.

Q How often do they take these drugs?

A Two or three times a day, perhaps.

Q Are they liquids?

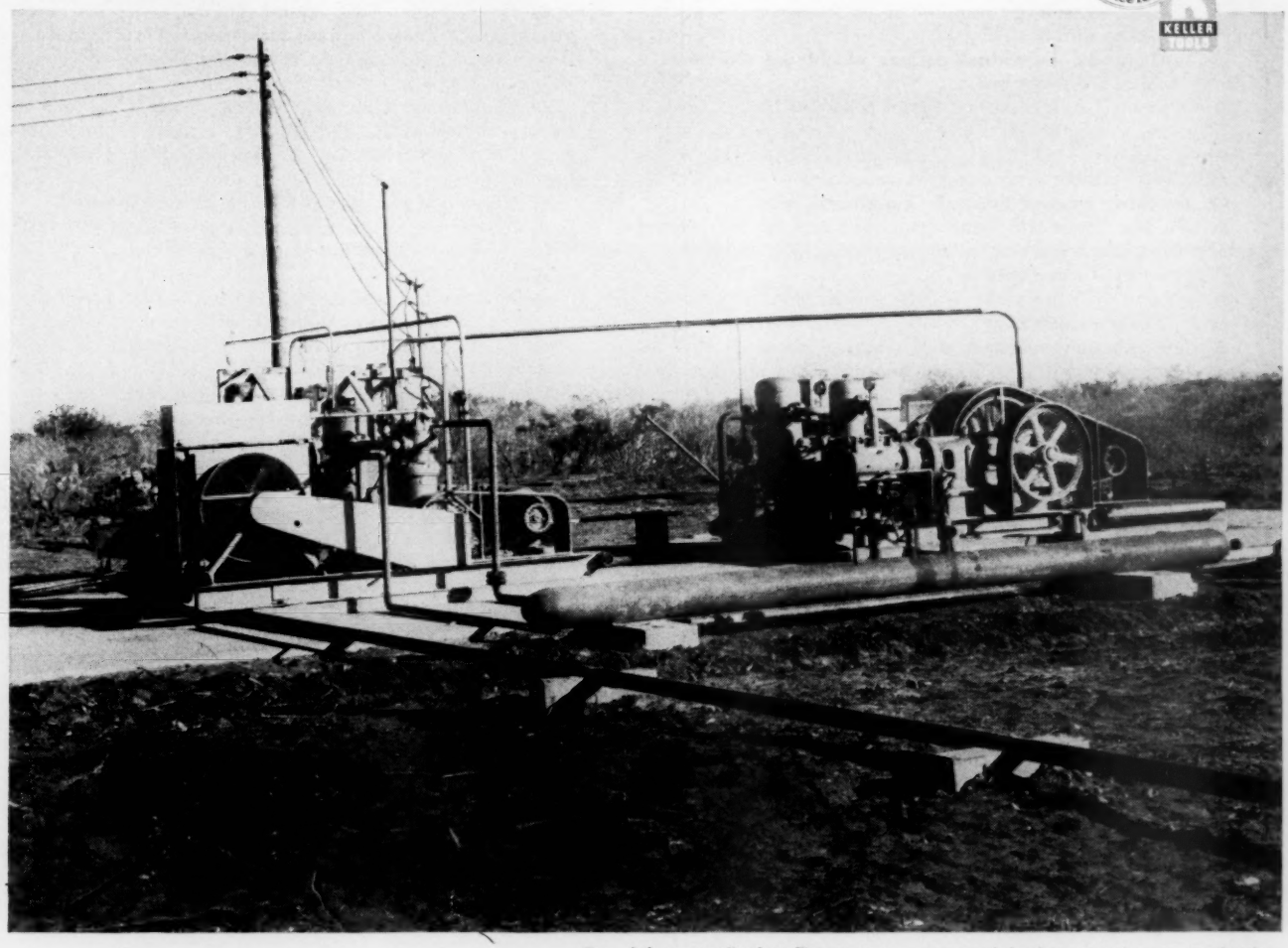
A Tablets mostly. They can be given by injection.

Q Are they expensive?

A Yes, unfortunately. I don't know what the retail price is, but I know that at the moment in the large amounts that we buy for St. Elizabeths, for example, the 100-mgm. tablet of Thorazine is nearly 7 cents for one tablet, and you would take ordinarily anywhere up to six or eight a day. When you

(Continued on page 136)

Gardner-Denver MAKES AIR DO MORE AT LESS COST



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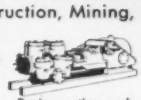

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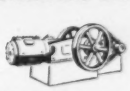


Horizontal Compressors

Vertical Compressors

Keller Air Hoists and Tools

. . . "Hypnotism—no damage, but it can be used by schemers"

multiply that by a large number of patients, you've got an expensive proposition.

Q Yes, but the individual patient would pay 35 cents a day for relief, wouldn't he?

A Oh, yes, and he'd pay that outside. Nevertheless, there's no question about its ability to calm patients. Now, that's purely palliative. I don't mean to say that it is curative at all. It makes the patient approachable, accessible to therapy.

Q Are those what people call "happiness" pills?

A Oh, no. Those are benzedrine or some of the related drugs. That is a stimulant, a true stimulant, as cocaine is.

Q And this is a sedative—

A Yes and, therefore, not useful in depressions.

Q Is it called Rauwolfia?

A Rauwolfia serpentina is the botanical name of this Indian shrub. Rauwolf was a German botanist who described the plant back in 1582.

Q Are family doctors prescribing it?

A I think some of them are. That, perhaps, is all to the good if it doesn't mask the symptoms too long, as long as something further is done.

Q Are they habit-forming?

A No, apparently not, and there's a wide range of tolerance. There are very few cases of unpleasant side effects. There've been a few cases of jaundice and skin eruptions.

Q Would they affect blood pressure?

A Yes, both of them. Of course, reserpine was introduced in this country primarily because it gradually lowers the blood pressure. It's really quite remarkable that way. Then it was found that these patients who were getting it for high blood pressure became much less anxious about themselves, much calmer. The drugs are being used very widely in psychiatry now.

HOW HYPNOTISM HELPS—

Q What about hypnosis? Is that used very much?

A It's unfortunate about hypnosis. You see, when it came along just over 100 years ago, it fell into the hands of charlatans.

Q Can you hypnotize people?

A Sure; it can be done if the patient is not too resistant to it. Some people cannot be hypnotized. In hypnosis you get a situation of very close *rapport* between the patient and the hypnotizer.

Q What is the value of hypnotism?

A It may be useful as a short cut to digging out unconscious material.

Q Don't you mean subconscious?

A Well, we usually refer to it nowadays as unconscious—it's unconscious to the patient, not known to the patient. It's stored away. Everything that happens to us probably leaves an impression.

Q How do you hypnotize a person?

A It's a question of concentrating his attention on something and he gets into a state ultimately of undue suggestibility. He's so suggestible that his will is the hypnotist's will.

Q Does that take long?

A Oh, some patients are quite susceptible, others take quite a while. But it's not used very much.

Q That breaks down the inhibitions so that he can recall the things that he would otherwise suppress—

A That's correct exactly.

Q Does it affect his moral standards in any way? For example, if he has a natural repulsion toward doing a certain thing, he still wouldn't do it because the hypnotist told him to, would he?

A That would all depend on how much it violated his customary ethical code. There are indications that a person is pretty resistant to things that would be of a criminal or a highly improper nature.

Q Even though under the influence of hypnosis?

A Yes. It's no easy road. There's nothing sure about it.

Q Have you ever hypnotized anybody?

A No, I never have.

Q Can the average psychiatrist hypnotize anyone, or does it take a psychiatrist of unusual will power?

A I think probably anyone could hypnotize. The question is whether the subject is willing to be hypnotized. The resistance would be on the part of the patient.

Q Not everybody can be hypnotized—

A Oh, no.

Q How do you get them out of the state of hypnotism?

A A snap of the fingers or a sharp order.

Q There's no permanent damage?

A No. But it can be used by schemers and can get people into difficulties. They recently passed a law in England against public exhibitions of hypnotism.

Q Can the average person be hypnotized?

A I'd say the average person can be hypnotized. Some people can be more easily than others.

FREUD'S METHOD—

Q Is it generally regarded as a useful means?

A I would say not. It is used rather rarely. There are very few psychiatrists who have gone in for it. We've had one or two of our staff who have done some very interesting things with hypnotism in the past. But, as a general thing, I should say it is not widely used. Freud started out with hypnotism and gave it up in favor of what he called "free association." It takes somewhat longer, perhaps, but it's probably more thorough.

Q It's being said that rye flour makes some people insane. Does that mean there is a possibility that a lot of our mental illnesses come from what we eat?

A I doubt that. I think it is more from faulty metabolism. We've never been able so far with our present knowledge to find any structural changes in the brain in these so-called functional diseases, notably manic depressives, schizophrenia, and the paranoid reactions of one sort or another.

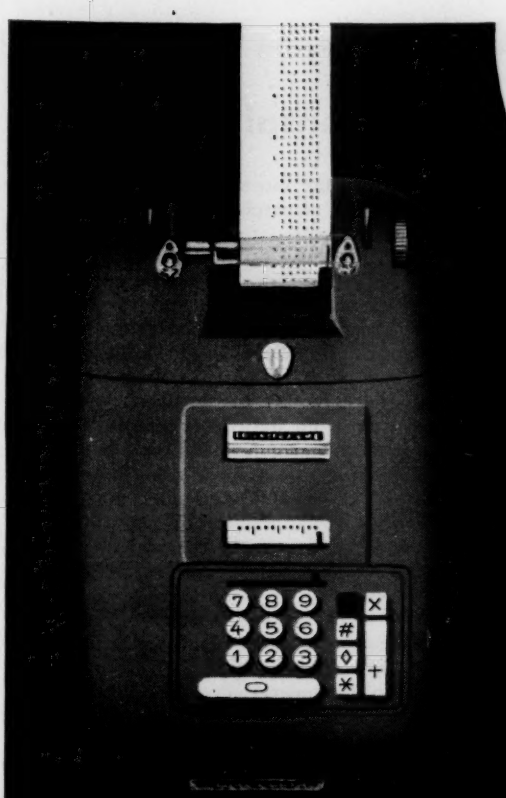
It may well be that there are some very minute biochemical materials circulating in the blood which at least make the person susceptible to stress. At least the work with what they call LSD and with mescaline and some of these other drugs is very interesting. The former, LSD, is related to ergot, which is a fungus on rye. Rye flour is harmless, however.

Q Does that mean that, if you could find out what that little chemical imbalance was, you might be able to cure them?

A You might be able to do something, yes. I think that is one of the things which call for a great deal of attention.

Q What is the psychological impact of fear about getting terrible diseases such as cancer? Is there any evidence that that worry does result in mentally unbalanced people?

(Continued on page 138)



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. . . "We don't know much about preventing mental disease"

A Oh, no. I can see why people who are hypochondriacally inclined might pick on that, just as they might pick on a number of other things. There are some patients who are never satisfied that they are well and are always developing complaints. That's a neurotic characteristic.

Q Then you don't think they can become mentally unbalanced just by worrying whether they will get cancer?

A Oh, no. And I think that if a few patients would become unduly worried over that, they would become worried over something else anyway. The disadvantages in telling people about cancer are more than offset by the added knowledge on the part of the rest of the public. I'm not afraid of the public's knowing about medical things. I think they ought to know more, but it's awfully hard to present the facts in a relatively unsensational way.

Q Is there much research going on in the hope of getting more drugs?

A I think more work is being done in that line. I think we shall see in the next few years a good many more drugs developed, with the recognition that these aren't curative pills but that they make the patient much more comfortable with himself and others.

Q Permitting the patient to go out of the mental hospital and back into the community?

A Yes.

NEED FOR CLINICS—

Q Is that a solution?

A I think that's going to help a good deal. Of course, we haven't touched yet on the question of clinics in the community aimed to keep people out of hospitals, while nevertheless getting treatment.

I think it is perhaps wrong to call these clinics preventive. We don't know very much about the prevention of mental disease, because there are lots of conditions of which we don't know the cause. But we can in a good many cases prevent the hospitalization of a patient by giving them supportive treatment through outpatient clinics in the community.

That's where the Federal Government has done a great deal of subsidizing, in developing additional clinics throughout the country. They haven't done much yet about mental hospitals. Primarily that goes to the State's responsibility, anyway, under the functions of police powers.

Q What about the stories of horrible conditions in mental institutions—are those things overdone?

A I think so, and certainly as of now those conditions are being remedied to a very large extent. The Council of State Governments has been devoting a lot of attention to it. They've set up several regional conference groups to investigate research and training of personnel—not only medical but nursing and all the rest—and are developing, too, their State hospitals.

I saw only the other day that Virginia is making quite a substantial capital outlay for buildings. Of course, the difficult thing in that always is that it's much easier to satisfy a legislature about the buildings that are needed than to satisfy them that you need adequate salaries which will attract competent personnel. It's so easy to point to a monument and say, "Here's a new building I voted for." You don't point and say, "Here, I voted to increase the salaries of these people." They are not visible. They don't show. The building does.

Q Isn't one of the problems, too, that States are building more buildings and putting more people in them instead of spending more money on research to get them out?

A They are at last coming to a recognition of the fact that if we're going to make any progress in what seems to be an uphill fight at the moment—the catching up with buildings—we've got to do more about research, we must do more about more intensive treatment in the institutions so that we can get patients out sooner. We've got to do more about clinics in the community to keep patients from getting to the state where they need to be sent to a hospital.

Q Is there any thumbnail statistic or picture that could be given about the percentage of hospital beds being occupied by mentally ill people and the money going into research?

A There are well over 600,000 patients in mental hospitals in this country. That means about 350 per 100,000 of the population, fluctuating very widely. In some States the rate is very low; in others it's very high, varying from 180 to 600 or more per 100,000.

Q How many of those are veterans?

A I think psychiatric veterans in hospitals number about 55,000 of the 600,000-odd.

Q What has been the general effect of military experience, particularly combat experience, on the mental health of the men who were in service?

A About 43 per cent of the 980,000 discharges from the Army in World War II were by reason of mental disability, mostly neuroses rather than psychoses. Many of those persons have recovered and returned to their work. This figure does not include the 865,000 men who were rejected by Selective Service during the war for mental and personality defects.

Many of the patients in the veterans' hospitals now are in the older age groups. You see, we're doing better and better with the younger patients, getting more and more of them out, thanks to a more active treatment program.

HOW LONG IN HOSPITAL—

Q How long does a person usually stay in a mental hospital?

A The prospects of discharge seem to drop off rather rapidly with the years. There aren't very many satisfactory statistics on this. The National Institute of Mental Health has worked up a few that seem to indicate that in the first year a person has something better than a 50-50 chance of getting out, but that after five years there is a very slight chance. I think the chances are going to improve as time goes on.

If we could only separate the organic cases—the senile, the arteriosclerotic, and some others—from the so-called "functional"—I don't like the word; meaning that there's no known organic basis—we would find that we are getting more and more of the younger people, those with schizophrenia and manic-depressive psychosis, out of the hospitals fairly promptly.

It's a question of how adequately and how forcefully you deal with them early when they get in. Too many of our hospitals in the past have been catchalls. They have been custodians. Now a lot more attention is being paid to active and early treatment.

Q If increased money is spent on treatment, then you would have an over-all saving on custodial costs, wouldn't you?

A Yes, indeed.

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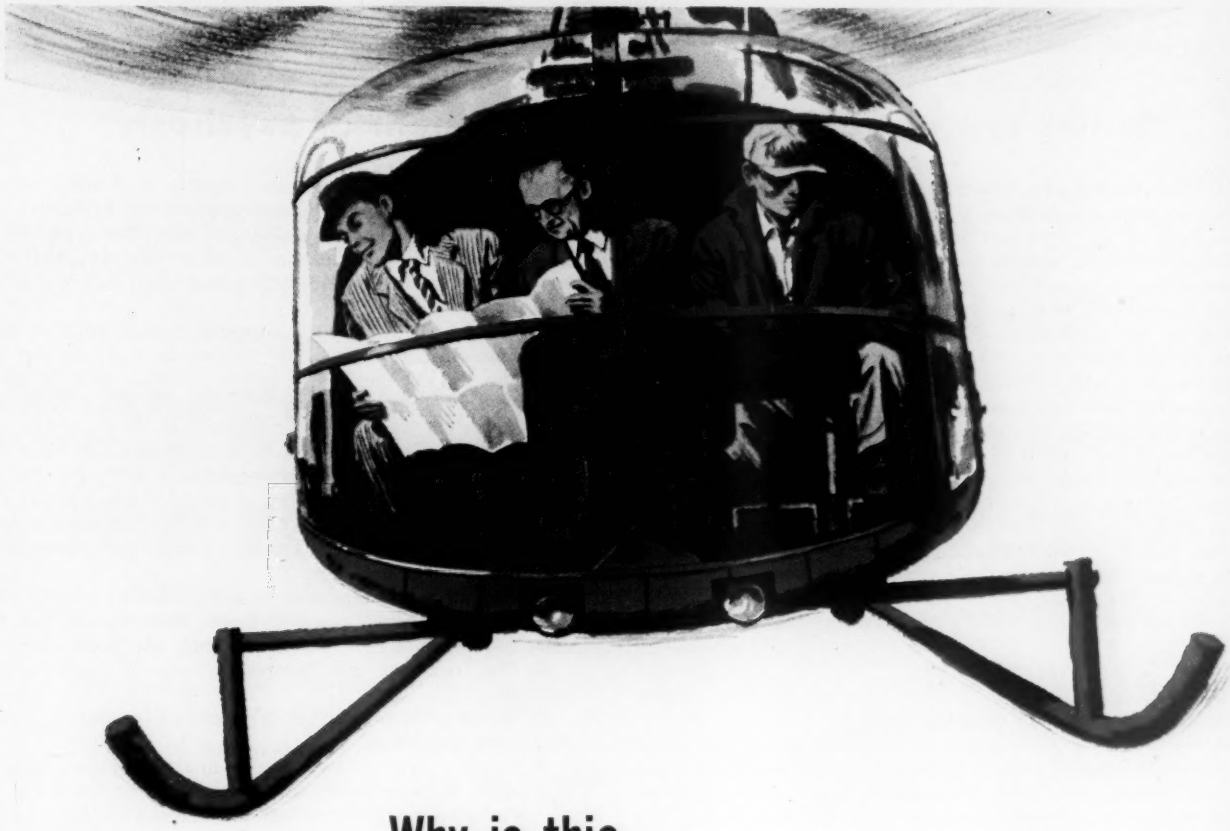

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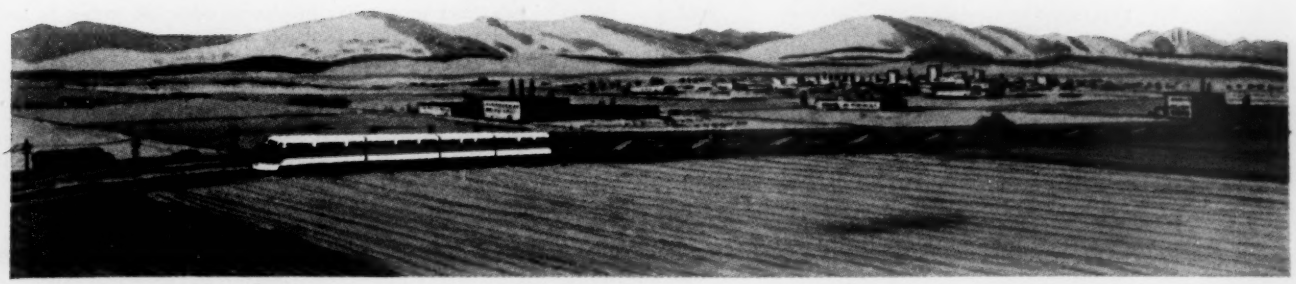

. . . "Brains are not essential to development of psychosis"

Q What does the treatment mainly consist of besides these pills you were speaking of?

A Well, those were just incidental. They make a lot of difference when it comes to altercations between patients, destructiveness, assaultiveness, and that sort of thing. They make the patients much more accessible, too.

You see, the atmosphere of a hospital is therapeutic in itself. Here for the first time, perhaps, the patient can feel that he's understood. It may be that he felt he was never understood at home. But here he's among friends, he's among doctors who tolerate his peculiarities. He can be himself, maybe, for the first time in his life. The mere separation from the family sometimes is therapeutic, but in addition there is a certain amount of regimen, of regular life.

In interviews with doctors attempts are made to bring out in the patient an understanding of himself. He's associating with others who have similar problems and perhaps he has a chance to recognize for the first time that there are others who do have problems, some perhaps worse than his.

FEW ARE VIOLENT—

Q Are many of your patients violent?

A Very, very few. I'm sure a lot of people when they come to a mental hospital expect to hear a lot of clanking chains, people yelling, and think they ought to see a few padded cells, and so on, something which went out long before the bustle.

Actually, I don't suppose that 5 per cent of our patients are what you would call violent. And even they are only occasionally so. We have a very few who have to be kept in rooms by themselves to keep them from bothering other patients. They are rooms that are big enough so that they can move around. They are not just cells. And these patients are taken out and walked around the ward. It is not that they are locked up all the time.

Q Do you have ministerial students training at St. Elizabeths?

A That has been going on for about 10 years.

Q What's the purpose?

A Well, there are three professions which have to do primarily with human problems—one is medicine, one is law and one is ministry. These people who are theological students or who are clergymen in parochial work—we have some community clergymen who come in and have a certain amount of training—are on the firing line when it comes to a lot of the very problems that the psychiatrist is interested in. Sometimes they have a religious coloring and the patient goes to the minister rather than to the doctor because he may be afraid of the doctor.

The minister in working with mental patients learns a lot about human nature, because, after all, there isn't an awful lot of difference between the people in the hospital and the people outside.

You can learn a great deal about what makes the wheels go round in people who are "at large," so to speak. William James pointed this out 50 years ago. These people learn a lot, not only about the characteristics of the mentally ill, but about mental problems as seen in people who are not hospitalized, and they find it very valuable.

We've just been making a study—we sent out a questionnaire to the 125 ministers who have been through our hospital in the last 10 years—and they almost unanimously say that they found the work extremely valuable in dealing with the day-to-day problems that the clergyman has to face.

Q Do you find that the amount of education a person may have or lack has any bearing at all on his susceptibility to mental illness? Are the more educated likely to become mentally ill?

A No, I don't think so. I suppose that, in general, in the public mental hospitals, you are not so likely to see what might be termed the "upper crust," because very frequently the more highly educated are the more nearly solvent financially and they go to private hospitals. No, brains are certainly not essential to the development of a psychosis. Very often, in fact, they help in prevention or cure.

The fact that a person has a sounder educational background means that very often he is more accessible to discussion and psychotherapy in general. I think it is easier to deal with a person of that sort.

Q Are there any statistics to show whether people of different races produce more or fewer mentally ill? Are there more in the white race, the yellow race, the black race?

A The statistics are completely uncomparable between countries.

Q What is the proportion in your own hospital as between Negroes and whites?

A Oh, it's roughly the same as in the outside community. It may be slightly higher as to the Negroes, not on account of their mental condition but on account of the economic factors involved; they may come to the attention of the social agencies sooner, like welfare groups, Community Chest groups, and so on, who might take some steps to help them.

Q What's the turnover in your hospital?

A Based on admissions for a given period, we expect in that same period to have between 55 and 65 per cent as many discharges. For instance, last year we admitted about 1,350, and we discharged in the same period, alive—we have a lot of deaths, we have a lot of old people—approximately 750, or 55 per cent. The percentage happened to be just a bit lower than the year before.

Q As to those who were discharged, had they been in there a long or a short period of time?

A I think the average stay of the persons discharged was something like a year and eight months, which is not bad. But, actually, just to show you, the year before we had one patient discharged—we had finally found a place for her out in the community—who had been there something like 25 years.

The fact that a patient has been there quite a while doesn't mean that he or she isn't going to leave. The outlook is much better than the public thinks.

GETTING A JOB BACK—

Q Here might be a specific problem: A woman working for one of our federal agencies is committed to your hospital, spends a year and eight months there and is then discharged, and then tries to get her job back. Isn't she going to have a lot of difficulty getting that job back?

A That depends on the agency.

Q Do you give her a certificate saying she is all right?

A We'll certainly tell anybody. I had an inquiry about that in a case the other day. It was not in one of the Government departments, but they wanted to know if a girl working there

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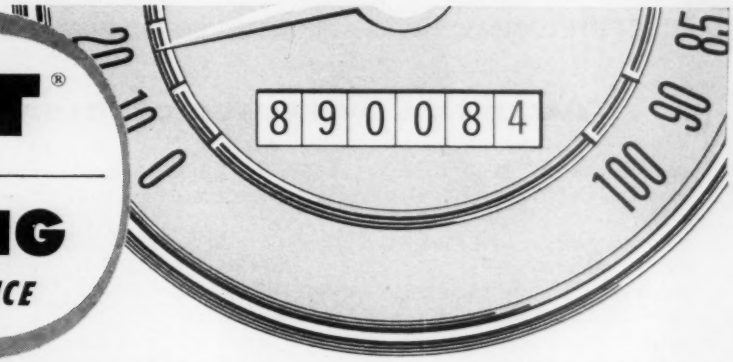

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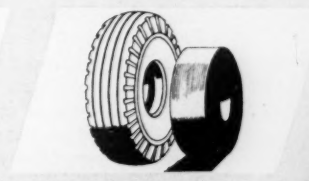

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. . . "Acquittals by reason of insanity aren't easy"

was "dangerous." Well, these people are not dangerous anyway. Most of the people in the hospital are not dangerous, either.

In the District of Columbia, if a person is committed—and this I regret to say is true in some other States, too—he is deprived of his civil rights. He not only has his liberty taken away from him, but he is *non sui juris*. He doesn't have any right to sign a check, or sign a payroll, he just doesn't exist.

Q Can he apply for a writ of habeas corpus?

A Well, he can do that. That's one thing that they'll let him do. He could make a will, but his will would be open to question.

CERTIFYING RECOVERY—

Q Whether or not they just have neuroses?

A No, committed, committed by the courts. Of course, we have a good many voluntary admissions. Practically every State has a voluntary-admission law, and some use it very freely. That's all to the good. The more easily you can get patients into a hospital the better, because then you are going to get at them earlier.

If we discharge a patient as recovered, we certify it to the court, and the court, on that showing, and on that showing only, automatically restores his civil rights and it's entered in the record that he's been restored. I think the law is wrong in depriving him of his rights in the first place, however.

Q Isn't it a blot against his name?

A Well, if you want to call it a blot when he's sick. I'm glad to say that in a good many of the agencies around Washington a very reasonable and understanding attitude is taken toward the ex-patient. We have a great many of our patients who go back to work in Government agencies.

Q Are those records open to public inspection?

A The records of commitment, yes. I think that should not be, either. In certain States that is not true. In Massachusetts, where I came from, the docket was private and wasn't accessible, and it shouldn't be. But here it is a matter of the court record.

Q What happens to a person who has a certain amount of mental disturbance and who lives in one of those institutions? Doesn't that make him worse?

A Oh, no. Most of them, I think, are really quite comfortable and quite content. After all, they have very few things to worry about. They know where they are going to sleep. They know where the next meal is coming from. They have provision for their physical care and their recreation, and so on.

I think we have, at St. Elizabeths, for instance, a very happy household. There are a few of them, of course, who object to being there, but I am glad to note that this year the number of writs of habeas corpus filed fell off considerably.

Q Does the individual have the right to file a demand to be released—a writ of habeas corpus?

A Oh, any one of them has.

Q Do they file them regularly?

A There are a few. Many of these are repeats.

Q So that a citizen who is committed has the right to object?

A Yes, indeed.

Q He can't be "railroaded"—

A No. As a matter of fact, in the District of Columbia it is too complicated to get in. But I'm sure that this talk about "railroading" is sheer mythology.

Q Who decides whether or not the patient can be released—the doctor or the judge?

A The hospital. In the case of a person against whom criminal charges are pending, he can only be released back to the court.

Q Is the hospital's word taken, or does an outside physician have to be brought in?

A No, it's up to the hospital.

Q In the writ of habeas corpus, too?

A Ordinarily, the judge hears the evidence. He may decide solely on the statement that is made by the hospital. He may refer the case to the Commission on Mental Health. In some instances, they have outside medical advice. In a good many instances the patient comes in and his testimony satisfies the judge that the patient is not well.

Q What proportion of mental patients would you say are criminally insane?

A Again, that depends on what you mean by criminally insane. I suppose that it's just as with any of us—if any of us have never had a ticket for overparking or for speeding, we're just lucky. It's not that we're so virtuous, you see.

There are a good many cases of mental illness which, if not taken in time, might lead to conduct that might become criminal. Of the patients that we have who are under charges, or under a sentence, I should say that out of approximately 7,500, there would be something less than 300, which would be around 4 per cent, who technically would be "criminally insane." For many of those the crime was drunkenness or simple assault. We have relatively few, for example, who have committed homicide. There are some. There are one or two who would be very glad to exercise it on me.

WHAT NEW LAWS DO—

Q Do you have any increase in the number of commitments of the criminally insane since these new laws and court decisions on criminal insanity?

A I think it's a bit early to say just what impact they've had. Of course, a number of those decisions have been modified by a law that was passed in the closing days of the last Congress.

Acquittals by reason of insanity aren't easy. They hadn't been before. We've got it tied up now I think in such a way, however, that the defendant will be a little less tempted, his lawyer will be a little less inclined, to plead insanity without good cause, because in the event of an acquittal of a crime the judge *must* commit to St. Elizabeths. My hands are tied, and I m very glad of it. That is, I share the responsibility with the courts. If I want to release the man, I have to get the court's approval, and we're taking care not to walk too rapidly on the question of exits.

Q Can the court release a man without your approval?

A Yes, on a writ of habeas corpus. The court can always do that. A habeas corpus is always available.

Q Even if you say he should remain in the institution?

A Oh, yes, they overrule us once in a while. The classical case for that was 25 years ago when they released a patient against the advice of our superintendent, Dr. White, and within a week or so he shot and killed the lawyer who got him out. That put a quietus on habeas corpus for quite a while!

machines start
lubrication starts
savings start!

Call it automation – call it cybernetics – or call it just plain good business sense – no matter what name you tack onto it, it's saving thousands of dollars every year.

Example: A large machine tool plant in the East employed 42 full time lubrication men to service some 4,000 machines. These machines were highly complex gear cutters, milling machines, drill presses, machine tools capable of producing work to the closest tolerances. Lubrication was so complex that despite the greatest care some bearings were missed, some over-lubricated. Maintenance and replacement costs were high – too high.

Then an Alemite Lubrication Representative was called in. After a thorough study of the plant and the problems, he came up with a simple sound recommendation. Alemite Oil-Mist was installed on some of the machines – results were carefully observed. Then – savings were so impressive that a budgeting program was set up immediately to equip every major machine in the plant!

Now, the program is well under way and hundreds of machines are completely equipped with Alemite Oil-Mist, all paid for by savings. And, despite the fact that the plant has expanded and now runs 4,800 machine tools, the number of maintenance men assigned to lubrication has been reduced from 42 to only 16 because Oil-Mist lubrication is constant and automatic, starts when the machines start. Lubrication costs are way down, bearing life is extended, and production is up, thanks to Oil-Mist.

Here's the unit that brings these savings to any machine! This is the heart of the Alemite Oil-Mist system. It atomizes oil into tiny, airborne particles that are distributed to bearings through tubing. These form a continuous, uniform film of oil that lubricates and cools the bearing surfaces.

FREE – the complete story of Oil-Mist – how it can bring these savings to any machine in your plant. Specifications, typical installations, case histories.

Three types of fittings allow the use of Alemite Oil-Mist on any bearing – any machine!

1. Oil-Mist fittings bring the most efficient lubrication in the world to roller, ball, needle—or any anti-friction type of bearing.

2. Oil-Mist Spray fittings are recommended for open and enclosed gears and chains. Allows for concentrated application where needed.

3. Oil-Mist Condensing fittings are applied to plain bearings, slides, ways, vees, cams, and rollers. Completely condense Oil-Mist.

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It opens December 1st . . . Santa Fe's new main line into Dallas, the longest main line construction over new territory by any railroad in 25 years.

It is 49.3 miles long.

It begins a whole new Santa Fe rail service for travelers and shippers in the Dallas area. *Better, faster service* than ever before.

It opens thousands of acres of newly developed plant sites to give the fast-growing industries of North Texas room to stretch.

This is "modern pioneering" by America's New Railroad. Another chapter in Santa Fe's long history of trail blazing in North Texas that started way back in 1886. Pioneering—building new—that has never stopped.

All along the line, people and communities feel the benefits of Santa Fe's *building new*, and day after day something new is being done to make "America's New Railroad" better and better.

It costs Santa Fe millions of *earned* dollars to keep "America's New Railroad" growing newer every day—but not one penny comes from the taxes *you* pay.

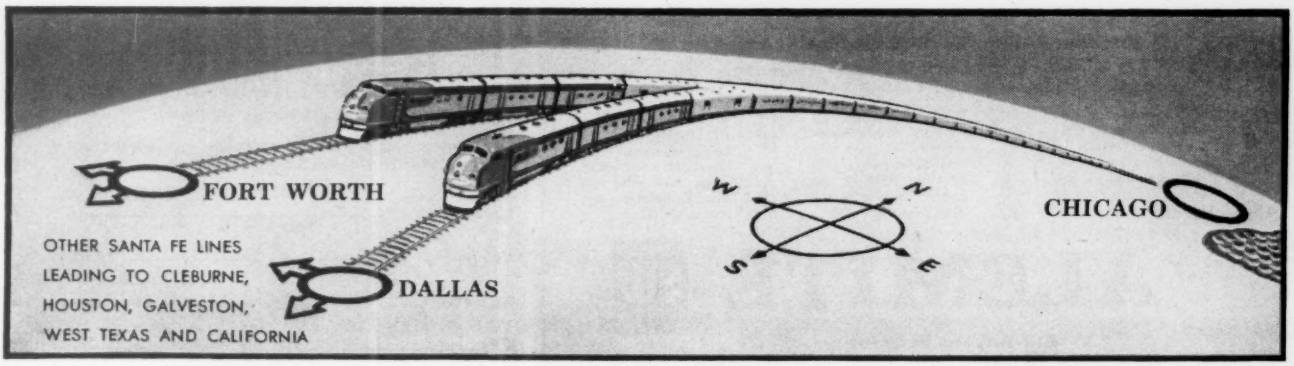
How Santa Fe's New Main Line into Dallas benefits North Texas

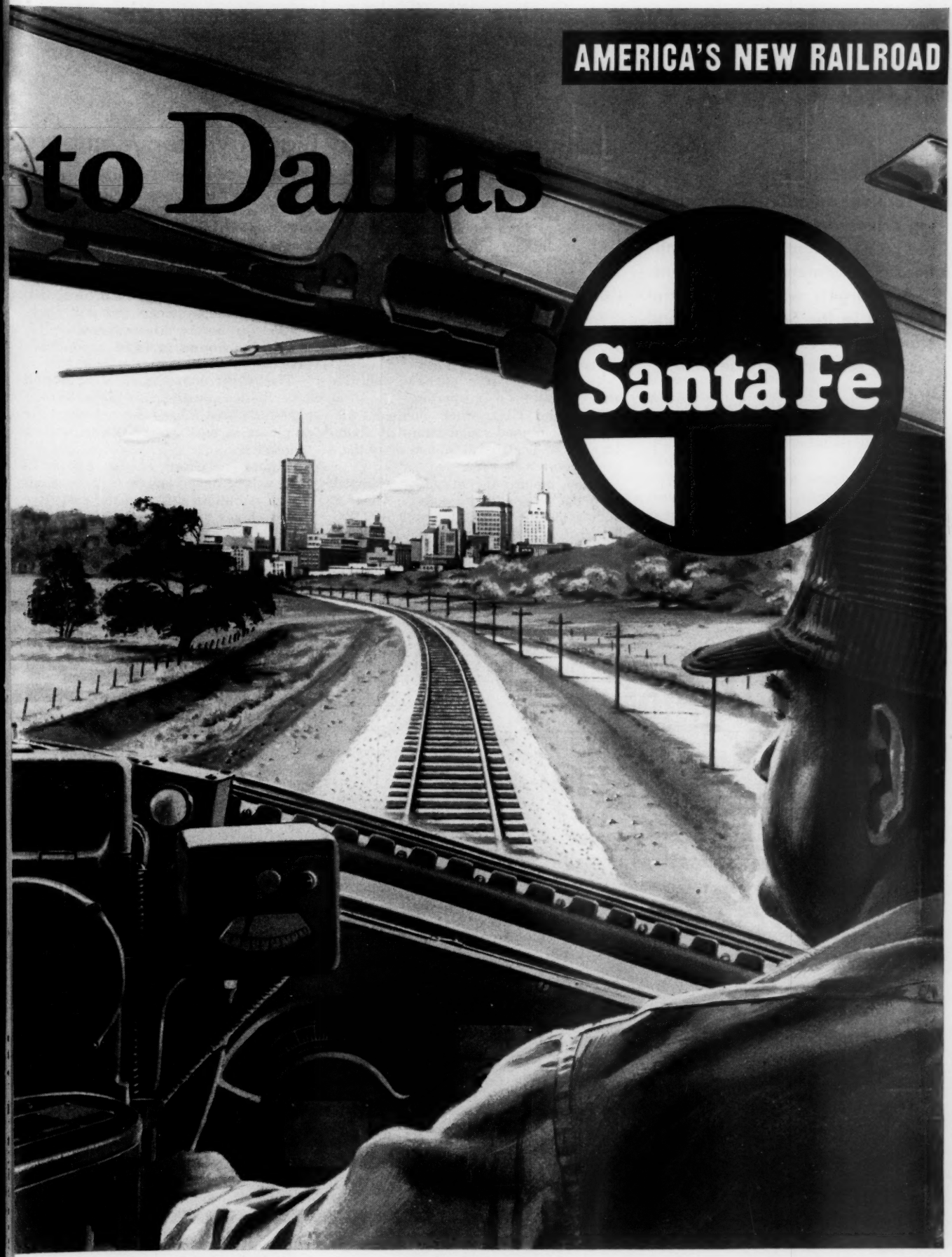
NEW. The new Dallas main line provides daily Santa Fe Chief streamlined passenger service all the way between Chicago and Dallas without changing trains.

NEW. The new Dallas main line cuts off hours of shipping time for freight from Chicago, the North and East—and provides more time for loading outbound freight at Dallas.

NEW. The new Dallas main line makes possible the development of thousands of acres of fine plant sites, affording greater opportunity than ever before to progressive and expanding industries in North Texas.

SANTA FE SYSTEM LINES




AMERICA'S NEW RAILROAD
to Dallas
Santa Fe

HAS UNION GROWTH KEPT UP?

Merger Is Sure to Kick Off a Big Drive for Members

Look for a nation-wide recruiting drive when the AFL and CIO merge next month. The aim, millions of new members for unions.

Big targets will be industrial workers in the South, office and store employes, chemical workers. But progress may be slow.

Labor unions, in this boom period, are barely holding their own with a combined membership of 18 million. That figure, reported officially, shows that unions now are able to claim a little better than one out of every three nonfarm workers in the country.

The latest count is based on the unions' own membership claims, filed with the Bureau of Labor Statistics and published in a new BLS directory of labor organizations. What the figures show is that union membership is up about 1 million over 1952, but little, if any, above what it was two years ago.

Now, with two out of three workers still unorganized, CIO and AFL are getting set for new recruiting drives around the country. This is one of the major aims as the two big organizations prepare to merge next month.

To get a measure of how well the unions have been prospering:

AFL and CIO, when merged, will have a combined membership of about 16 million. That is 1.6 million more than they reported in 1952.

Other unions, the ones not affiliated with the two federations, have about 2 million members. This is about 400,000 less than in 1952.

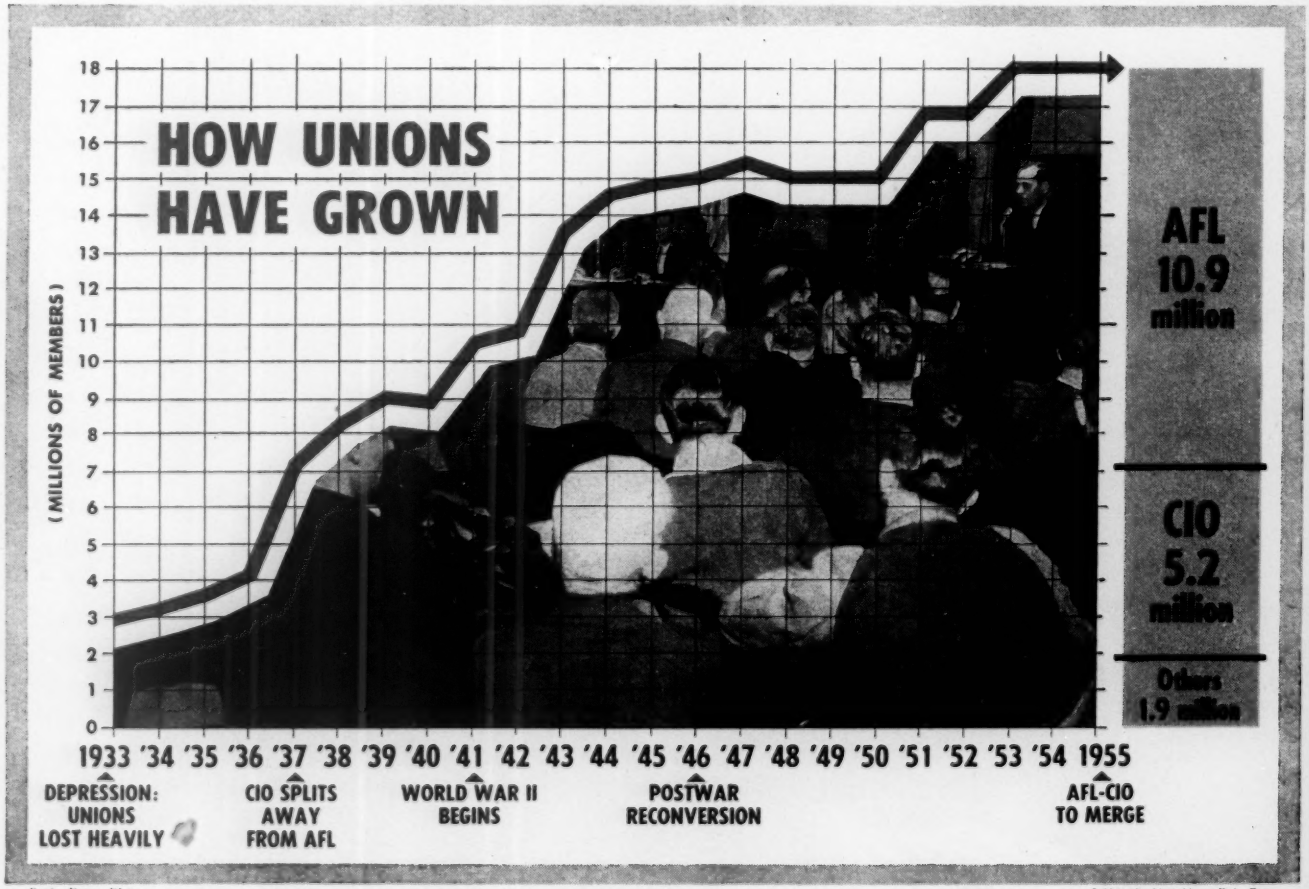
Union treasuries have kept pace with the business boom. One big union reports a gain of nearly 3 million dollars in net worth in six months. Some of the organizations are prospering on investments. Some have raised the dues of their members.

Costs of operating the unions, however, are rising along with incomes. Salaries of union officers and staff workers are up. So are other expenses.

Looking ahead to 1956, union leaders size up the prospects this way:

The bigger unions, in steel, autos and other basic industries, are about at their peak for a time. They have organized the employes in most of the plants in their industries.

Organizing efforts of the new AFL-CIO will be aimed largely at a few fields where recruiting drives in the past have failed. Some of the major targets are listed in the chart on page 148. But getting new members here will be difficult. Old-timers doubt that labor is about to



Basic Data: BLS

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have a big upsurge of organizing like that in the 1930s.

A gradual rise in membership may take place, however. As industry expands its employment, union membership lists will grow in some fields. That is because of the many "union shop" agreements that force all employes of a plant to join the labor organization.

Mergers within the AFL-CIO merger may add to labor's strength next year, officials say. Various smaller unions that have been competing against each other within the same industry are getting ready to join forces. Instead of trying to take members away from each other, they plan to spend their money and efforts on organizing workers in the non-union shops.

Organizing efforts, it now appears, are to be concentrated in a few fields where officials think that there is some hope of immediate success.

The South, for example, will be one target, but this time officials do not plan any big-scale "invasion" such as CIO attempted years ago. The plan now is to select a few industries in the South, not make an area-wide drive. And organizers will be hired in the South, will not be "invaders" from the North.

Neither AFL nor CIO has been able to make any serious inroads into the "open shop" areas of the South. The Labor Department has no official figures on the extent of union growth in the Southern States, but an AFL estimate puts the total union membership at about 550,000 in five Deep South States.

In those same States, about 3.2 million workers are employed in jobs outside of farming. Thus, unions apparently have recruited about one sixth of the potential members.

Textile mills, mainly in the South, are to get attention of the organizers, in an important phase of this drive.

After years of effort, unions now have about 382,000 members in the textile industry, nationally, or a little more than a third of the production workers in this field. The CIO Textile Workers claims a membership of 292,500, while the AFL's United Textile Workers claims 90,000.

Few of these members, however, are in the South, where most of the textile industry is located. CIO at one time had some Southern workers organized, but lost them when a strike failed to produce a wage increase.

Lumbering in the South also is to be the scene of union recruiting. CIO Woodworkers and CIO Furniture Workers plan to make a joint effort there.

Chemical plants in the North as well as South are slated for union drives. Less than half of the production workers now are in unions. The CIO Oil, Chemical and Atomic Workers reportedly has about 100,000 members in the chemical indus-

(Continued on page 148)

Do you seek masses?

"Our products appeal to the masses," says Jones, Sales Mgr.

"When you examine sales figures for a company like ours, you make the discovery early in your analysis that it pays to have a manufacturing plant in New Jersey.

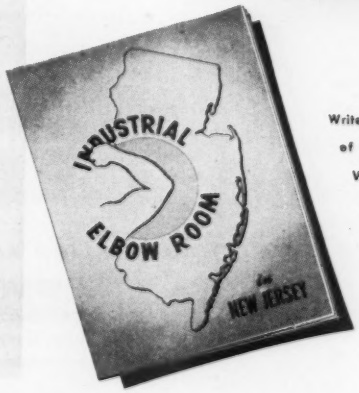
"We started operations here in New Jersey two years ago. We selected a site for our new plant in the Delaware Valley so that we could take advantage of the ease and speed and economy which this location gives us in reaching the major markets of Philadelphia and New York.

"Our products appeal to the masses. From our New Jersey plant, we can ship these consumer goods overnight to stores which sell and service 31 per cent of this country's population. This is the highest income market in the nation. You can see why this presents our company with a tremendous sales advantage.

"We have to continue to work hard to keep our sales curve rising, but business this year for our New Jersey operations has been very encouraging."

(Paraphrased from letters in our files.)

PUBLIC SERVICE
...AT THE CROSSROADS OF THE EAST



Write for the book about the industrial advantages of New Jersey, "Industrial Elbow Room." Write Box D, Public Service Electric and Gas Company, 82 Park Place, Newark, N. J.

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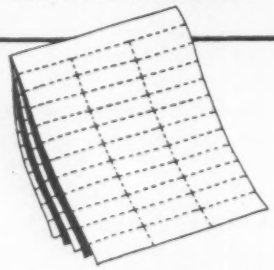

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DUPLIQUIK labels — similar to duplistickers in size, purpose and versatility, except the paper stock is specifically designed for use with liquid or spirit type duplicators. DUPLIQUIK gummed labels can also be used with typewriter or offset duplicating machine.

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. . . Recruiting target: millions of white-collar workers

try. The AFL Chemical Workers claims a membership of 90,000.

White-collar workers also are scheduled for organizing campaigns in the months just ahead.

The campaign among office workers probably will be headed by the AFL Office Employes Union, which claims about 50,000 members. A number of CIO local unions in this field are likely to be merged with the AFL union, which also hopes to take in some of the independent unions set up in various areas. An AFL official estimated that there are about as many members in independent unions as in the AFL and CIO office groups together.

Union officials estimate that there are about 8 million workers in the office field that AFL and CIO unions have been seeking to organize for many years. Previous campaigns, according to an AFL estimate, have resulted in a total current membership of around 200,000 in AFL, CIO and independent groups.

Store employes are another target. However, various "big" drives in the past have not produced many members. Officials estimate that the present membership of all unions in the field totals about a half million. This leaves something like 7.5 million workers as "prospects" for organizing.

The AFL Retail Clerks Union, claiming 265,000 members, is the largest in this retail field. CIO's store union reports it has 140,000 members.

Big unions, on the other hand, have developed in a number of industries during the two decades of CIO.

The steel and auto unions were built up by CIO from virtually nothing to more than a million members each. The BLS directory lists the auto union as the country's largest, with the union's claim of 1,239,000 members. The steelworkers' union is credited with 1,194,000.

In 1936, as CIO began, the AFL reported it had 19,000 members in its auto union. An AFL auto union still appears in the directory, reporting a membership of 120,000. An AFL union in the steel industry was credited with 900 members in 1936.

The AFL Teamsters Union is credited with 1,231,000 members, compared with 161,000 in 1936. Among other AFL unions, the Machinists grew from 113,700 members in 1936 to 864,095 in 1955; the Carpenters, from 300,000 to 804,343, and the Ladies' Garment Workers, from 196,700 to 440,650.

Membership figures quoted in the BLS directory were reported by the unions, without Government verification, as of the start of 1955. The figures do not match the national totals used by AFL and CIO, whose totals are based on per capita payments made to the federations by their affiliates.

Thus, union officials have credited AFL with 10.2 million members and CIO with 4.6 million, while the BLS adds up 10.9 million for AFL and 5.2 million for CIO. But, whatever the present total, union leaders expect to score new gains after the AFL-CIO merger is completed in a convention opening December 5 in New York City.

Where AFL-CIO Hopes to Recruit New Members

IN 4 MAJOR FIELDS:	Number of Nonunion Workers	Number of Union Members
Offices	7,800,000	200,000
Retail Stores	7,500,000	500,000
Textile Mills	612,000	382,000
Chemical Plants	356,000	200,000
IN 1 MAJOR AREA:		
The Deep South*	2,650,000	550,000

*Alabama, Georgia, Louisiana, Mississippi, South Carolina

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SUCCESS BEGETS SUCCESS

Development of power resources marches forward where the demand for power exists. More power is now generated and consumed in New York State than in any other. Enormous new power resources—thermal, hydro-electric and nuclear — are in course of development. Another reason why more industries—and a greater variety of industries—operate at a profit in New York State than in any other. A good reason for locating your plant in the Empire State.

New York State is prepared to give you the particular FACTS on which you can decide exactly where to locate YOUR PLANT. Our booklet—"Industrial Location Services" explains what we do, and shows how you can put our knowledge to work. For your free copy write New York State Department of Commerce, Albany 7, N. Y.

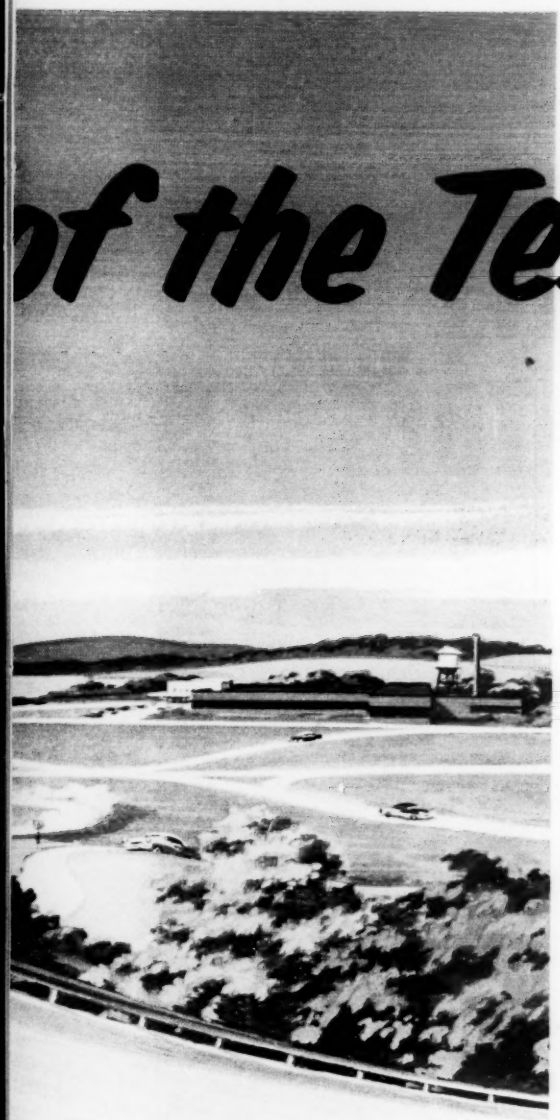
NEW YORK STATE

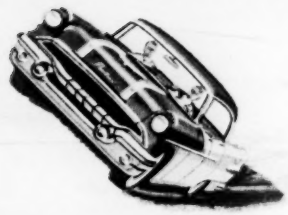
AVERELL HARRIMAN
Governor

EDWARD T. DICKINSON
Commissioner of Commerce

It's The Talk
Pontiac

of the Test Drivers!





THIS FABULOUS '56 PONTIAC WITH THE BIG AND VITAL GENERAL MOTORS "AUTOMOTIVE FIRST"!

Ever try impressing a test driver? Believe us—it isn't easy!

So—we're tremendously proud to report that the '56 Pontiac has them cheering in a really big way.

What's set them buzzing is that all-new partnership—the great General Motors "First" combining:

Pontiac's new, big-bore Strato-Streak V-8 with the terrific thrust of 227 blazing horsepower.

General Motors' new Strato-Flight Hydra-Matic that gentles this mighty "go" to smoothness beyond belief.*

You don't need a test track to prove that here is the lift of a lifetime for everyone in love with great performance.

Traffic will tell you. Here's a "stop-and-go" response as fast as thought itself. *A hill will help.* High or low, it's left behind without a sign of effort. *And passing definitely pins it down.* Gun it, and instant, flashing power sweeps you smoothly past. No drag, no lag—just safe and certain "go"!

This is living as you have never lived on wheels before!

To be sure, there's more to charm you in this glamorous '56 Pontiac. The safety of big new brakes. The security of finer controls and a smooth, sure-footed ride. Smart new beauty and luxury.

But, above everything, it's that fabulous new "go" that gets you!

Drive a Pontiac today for a glorious double thrill. There'll be pride in your heart, a torrent at your toe-tip. What more could anyone want?

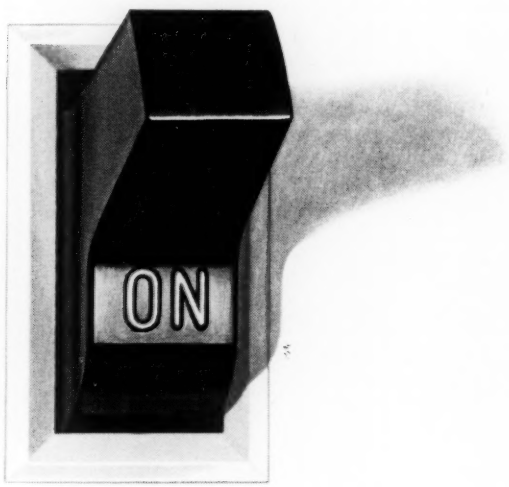
*An extra cost option.

PONTIAC MOTOR DIVISION OF GENERAL MOTORS CORPORATION

'56 PONTIAC

ELECTRICITY FROM THE ATOM

What will it be like?



Now that electric light and power companies are building plants to produce electricity from the atom, you may well ask—*what's atomic electricity like?*

The answer: *exactly like the electricity you're using now.* The only difference is in the electric power plants themselves, where there's an atomic furnace instead of a furnace that burns coal, oil or gas.

But that difference can be important to your future. For you—and all America—will need much more electricity in the years to come, and atomic energy promises a vast new source of heat to make it.

Today many electric companies across the country are working on the development of atomic-electric power plants. They're among the companies that have brought abundant electricity to a whole nation in the span of a single lifetime. They have the experience to find the best and quickest way to bring atomic-electric power to all.

AMERICA'S ELECTRIC LIGHT AND POWER COMPANIES*

*Names on request from this magazine's advertising department

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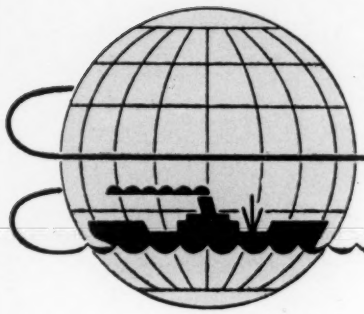


Business Around the World

AMSTERDAM • ROTTERDAM • THE HAGUE

>> At a time of almost universal boom, it's revealing to take a close look at the unusual Dutch formula for enjoying prosperity without inflation.

Low wages, low interest rates are the heart of this Dutch formula.

Dutch wages are the lowest in Western Europe. Put this fact together with a labor shortage, though, and you can see why the Dutch are beginning to worry.

No other industrial country is so dependent on foreign trade. Dutch exports are built on low costs. Low wages, thus, are called a national necessity.

Union labor has co-operated with employers and the Government since the war. Labor hasn't asked for the moon. Wages have been controlled. Raises have been limited to what the Government thought the economy could stand.

But big profits, fat dividends now cause workers to have second thoughts about wage restraints. The cry, "Let's share the pie," is being heard.

>> This is a new cry in the Netherlands. It seems to have taken the Government by surprise. Government officials have manipulated wage restraints on the theory that the workers could be kept happy if the cost of living didn't go up.

So the Government has pushed levers, pulled switches, kept prices down.

Subsidies help keep prices of certain food staples down.

Taxes were cut September 1 to leave more money in consumers' pockets. Sales taxes on several items were reduced. Income taxes were cut, too.

Radio prices were forced down earlier this year when the Government took action against the radio manufacturers' cartel.

But rents have been allowed to creep up a bit. Higher rents make it more profitable to build new houses--a pressing need in the Netherlands.

Net effect of all this is a slight decline in living costs this year. Nevertheless, some workers now talk about a bigger share of the national pie.

>> What Dutch workers are questioning, for the first time, is a rather rigid system of wage controls and pay schedules. It's understood that nation-wide wage increases may be unwise. Some industries, such as metalworking, can stand higher wages. Some, like textiles, can't. The hitch is this:

The Government has to approve all wage contracts. No worker can move from one job to another without letting the Government know.

In practice, of course, people do move around without a governmental O.K.

Labor pirating is rather common, especially in the building trades, and it's hard to police. One Amsterdam shipbuilding firm loses 10 per cent of its labor force a year to the glamorous wage offers of building contractors.

Wage controls, also, are bypassed by upgrading, by higher fringe benefits.

Thus, a Dutch subsidiary of a U.S. maker of business machines recently

(over)

began paying all women employes men's wages for similar work. Dutch tradition is that women get only 70 per cent as much. Naturally, this subsidiary no longer lacks for female help. Government officials haven't objected--yet.

The Dutch are a law-abiding people, but wage controls are hard to enforce when there are three job openings for every job seeker.

>> Even though labor is short in Holland, emigration is being encouraged.

Emigrants--around 40,000 a year--are helped by the Dutch Government to resettle overseas. Canada and Australia are the most popular destinations.

Foreign workers, at the same time, are urged to come to Holland and take jobs in industry. In the main, these immigrants are Italians and East Europeans.

On the face of it, it does look odd to encourage emigration when labor is so short, and then turn around and encourage immigration.

Official reasoning, though, is that the current labor shortage may not last very long. In about five years, the big crops of babies of the postwar years will be reaching working age. When that time comes, the Dutch will again face a problem of too many people, too little land, too few jobs. Moreover.....

Emigration of Dutchmen is a long-term program. It has to be built up slowly through quotas and protracted negotiation. The Government has decided to go ahead with it now, even when labor is short. Besides, the foreign workers are regarded as temporary residents, expected to go back home after a few years.

>> No question about business being good in the Netherlands now. Industrial production is up 9 per cent over last year. Retail trade is rising sharply.

Luxury goods are getting quite a play--things like motor scooters, radios, phonographs, records, not to mention household durable goods.

Installment credit, more common than in the past, is still a small factor in retail trade. Many Dutchmen think it's wrong to mortgage your future.

>> Dutch banks are liquid enough to worry the central bank, in view of the obvious inflationary potentials in the country. Some months ago the banks were asked, voluntarily, to place 10 per cent of cash reserves in the central bank.

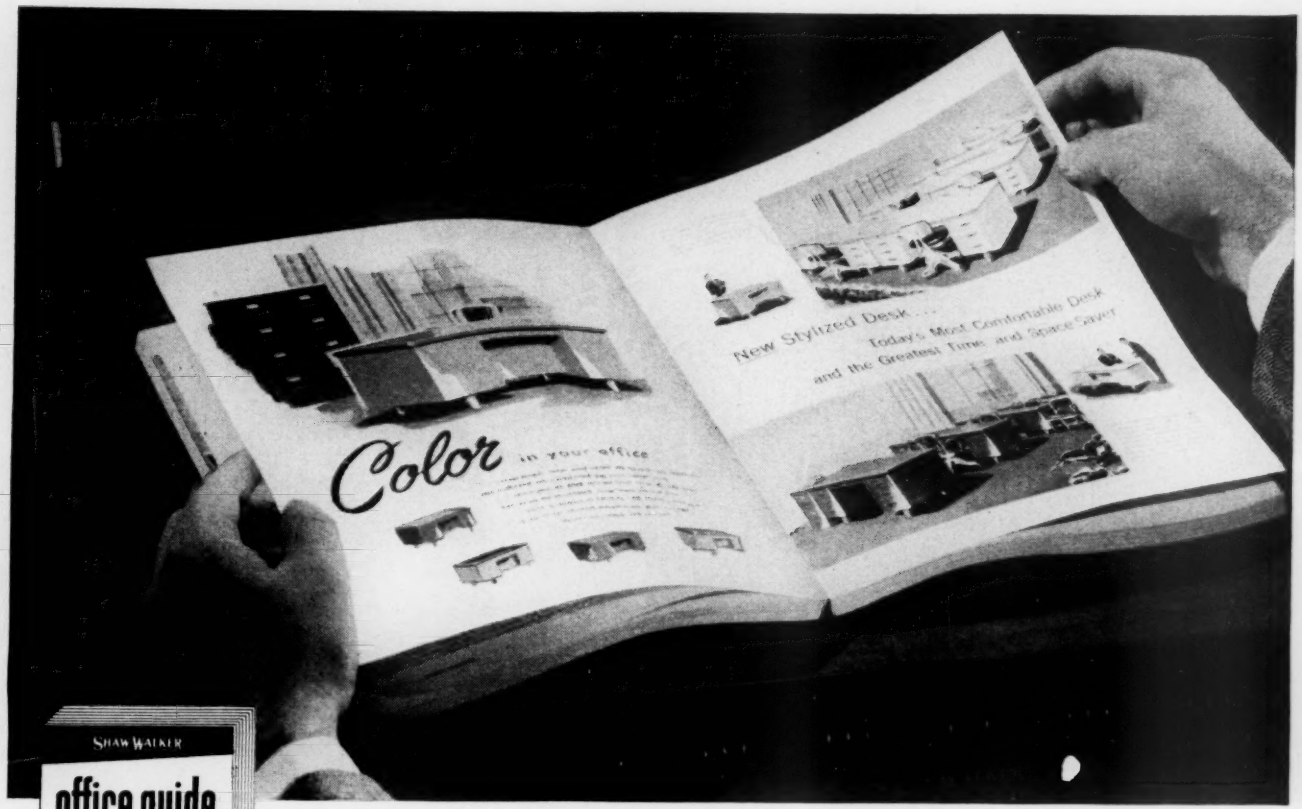
Discount rate of the central bank has stayed at 2½ per cent for more than three years. Actually, it's ineffective. Money-market rates are lower than that.

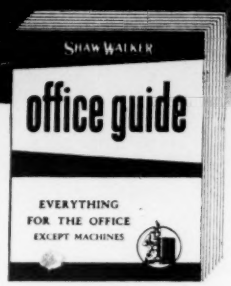
Interest rates are lower in the Netherlands than anywhere else in Europe, except possibly Switzerland. These low interest rates, plus liquidity, have pulled some banking business to Amsterdam from London, where credit is tighter.

Amsterdam has also been an attractive spot in which to float security issues. Between March and August, 1955, seven international issues were sold in Amsterdam for the equivalent of about 65 million dollars. One issue was sold for sterling, much to the discomfiture of London financial circles. Amsterdam, however, hasn't the resources to challenge London as a financial center.

Dutch authorities, in fact, got a little nervous at the number of foreign-bond flotations. They sopped up capital funds, boosted interest rates slightly and made Government financing more costly and difficult. It is doubtful that Dutch financiers can underwrite further foreign loans until next spring.

>> It's clear enough in Holland that Dutch officials want to keep credit costs low, together with prices and wages, but it will be increasingly hard to do it. All around the Netherlands, money is tightening and the clamps are coming down.





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Savings begin *immediately* when you get this book. From its 292 pages you can make a buying "tour" in minutes that otherwise would take hours of time and energy and would be impossible even in large cities. Here is the world's most extensive line of office desks, chairs, filing cabinets, fireproof equipment and systems. Over *5,000 items* pictured, described and plainly priced.

Cut office costs.—Office costs skyrocketing? Overhead cutting into your profits? On page 284 you'll find help. Handily indexed for quick reference are a dozen practical ideas you can *put to action right away in cutting office costs.*

What's new in color-styled offices?—Drab, colorless offices affect employee morale. In the Shaw-Walker Office Guide you'll see the very newest in modern color-styled furniture. Beautifully pictured in all four new colors.

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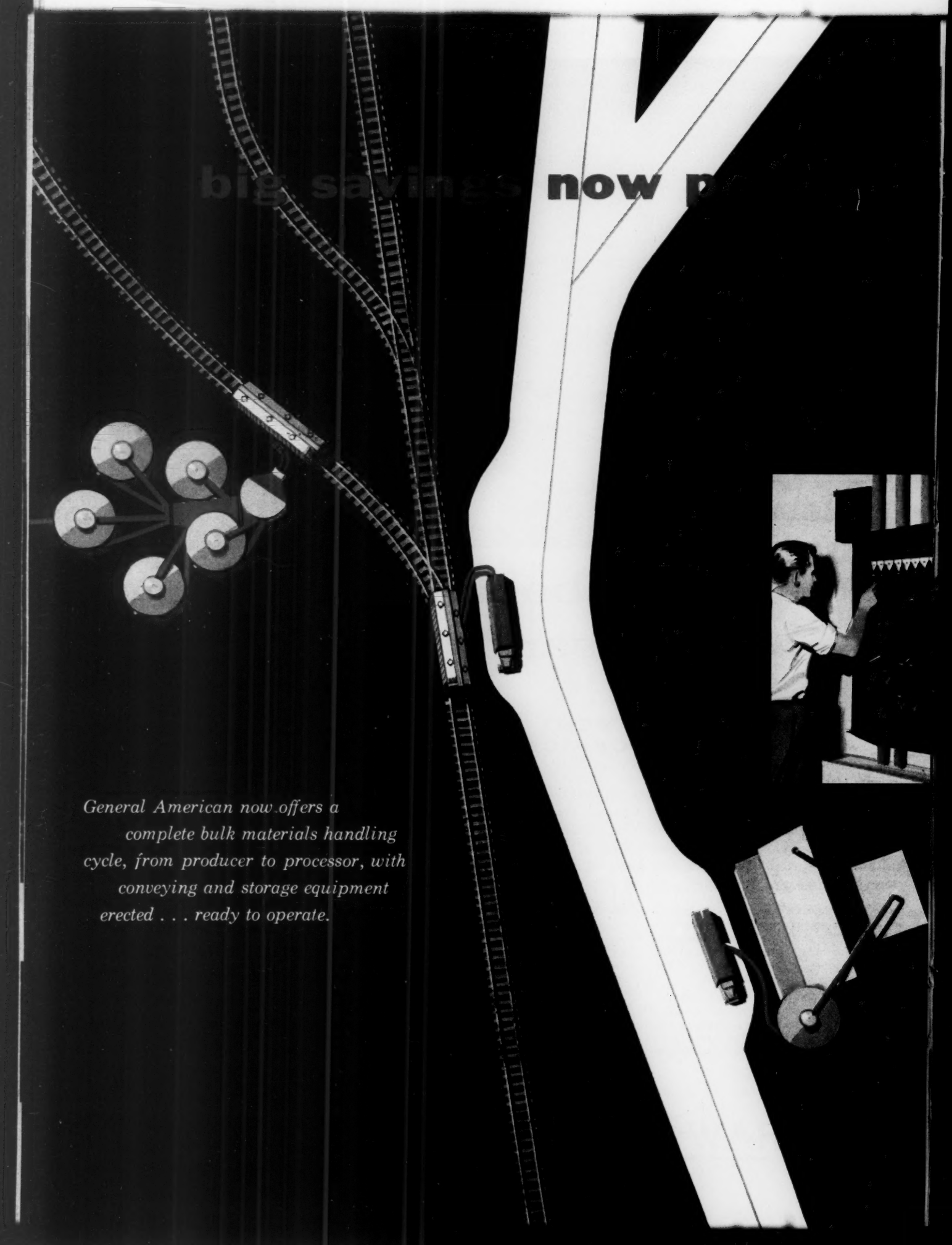

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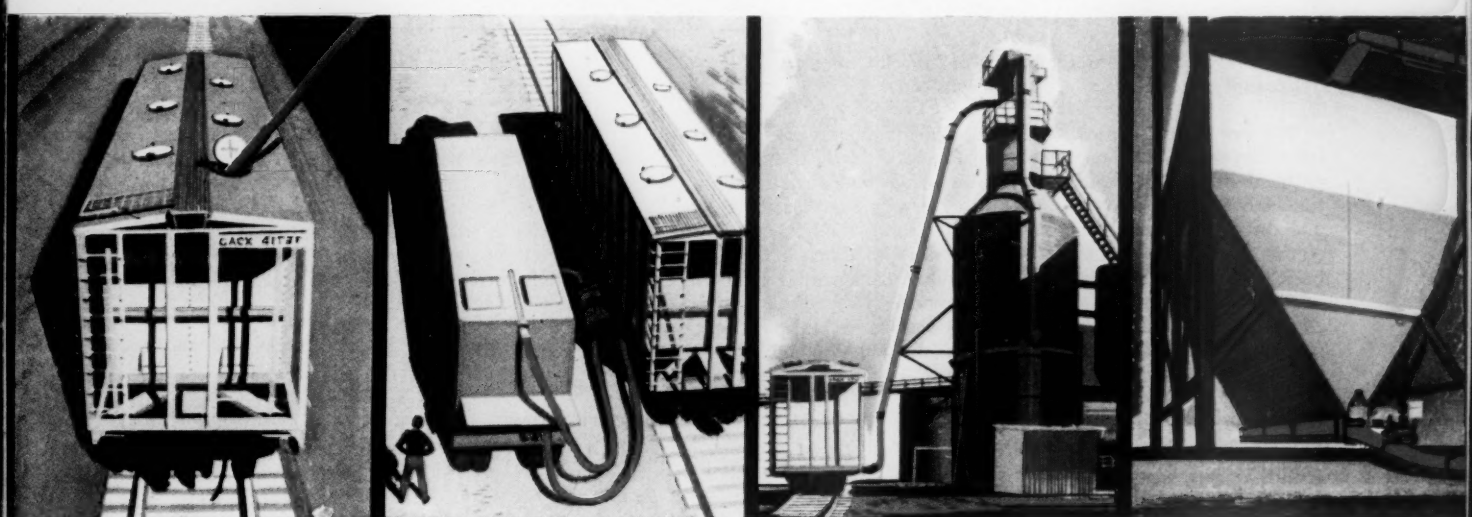

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Debate in Parliament:

MORE LIGHT ON THE MISSING DIPLOMATS

Finally, after four years, the case of Donald Maclean and Guy Burgess has reached the floor of the British Parliament.

There Foreign Secretary Harold Macmillan, his predecessor Herbert Morrison and Prime Minister Sir Anthony Eden answered questions on the two diplomats who turned traitor.

From a House of Commons debate you get official answers to these questions—

- **How could two Communist spies hold big jobs so long in the British Foreign Service?**
- **Why weren't Burgess and Maclean arrested before they could flee to Russia?**
- **Did a "third man" tip them off?**

Following are extracts from the official record of the debate in the House of Commons on Nov. 7, 1955:

The Foreign Secretary (Harold Macmillan): It can rarely have happened in our long parliamentary history that the political head of a department should have had to unfold to the House of Commons so painful a story as that which it is our duty to consider today. To understand—though not, of course, to excuse—this story it is necessary to cast our minds back to the 1930s and to recall the kind of background against which the two principal characters grew up.

At that time all kinds of violent opinions were being expressed. The circumstances of the Spanish Civil War, with Fascists and Communists backing the rival forces, divided British and, indeed, European opinion acutely. This had a particularly disturbing effect upon young people, many of whom, we remember, thought it their duty actually to take part in these fierce revolutionary struggles.

When Hitler had made his pact with Stalin and the second World War began, some of those who had espoused extremist views found that their ideological beliefs exerted a pull which was to prove stronger than their patriotism. This clash of loyalties was buried in 1941 by our alliance with Russia. But, when the war ended and there came an estrangement between this country and Communist Russia, it revived.

Thus it was that men could be found in Britain who could put the interests of another country before those of their own, and could commit the horrible crime of treachery. This occurred not only among criminals and degenerates but in men holding high technical and scientific posts, among men of philosophic and literary attainments, and, finally, in these two cases, the subject of this debate, in the Foreign Service.

—United Press

HAROLD MACMILLAN

"Men in Britain who . . . could commit the horrible crime of treachery"

° ° °

. . . When Maclean and Burgess fled in May, 1951, the first thought of those responsible had to be not how much they could tell the public, but what they could do to minimise the harm that had been done. The Security Service still had extensive inquiries to make, not merely to reconstruct the story but to improve the service. But when Petrov defected on 3rd April, 1954, a whole new vista on the case was opened up. [See footnote.]

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. . . I should first emphasise . . . that the circumstances in which the two men entered the service were very different. Maclean came into the diplomatic service before the war by a very severe competitive examination, in which he showed conspicuous ability. I have heard it said that the Civil Service Commission Board, who interview all candidates for the service, ought to have known of Maclean's reputation for extreme left-wing opinions while he was an undergraduate. In fact, his college authorities gave him an exceptionally good report in which no mention was made of his left-wing views. But even supposing that the board had known that he had expressed Communist opinions as an undergraduate—

° ° °

I was about to ask the House, whether supposing the board had known that he had expressed even Communist sympathies as an undergraduate, in those

EDITOR'S NOTE: Vladimir Petrov, Soviet official, defected in Australia and told for the first time of how MacLean and Burgess fled to Moscow with British and American secrets.

. . . "Maclean was regarded as a valuable member of the Service"

MACLEAN

BURGESS

days would the House have felt that such a man should automatically be excluded from the public service. [HON. MEMBERS: "No."] Would the House not have regarded those leanings as one of the aberrations of youth which he might be expected to live down. It is not fair to bring in an atmosphere of today when judging events of the 1930s. It is important to realise that until and after Maclean's appointment in Cairo in 1948 the quality of his work was not only good, but outstanding among his contemporaries.

During his first fourteen years in the service his conduct gave rise to no adverse comment. His behaviour in Cairo, which culminated in a sudden application for sick leave, at the time was interpreted as the result of a prolonged period of overwork and strain. He was regarded as a valuable member of the Service and there was every reason to suppose and to hope that he might make a full recovery from what appeared to be a sort of nervous breakdown.

The Foreign Office, like, I think, any other decent employer in the circumstances—it should be remembered that at the time there was no suspicion of any kind as to his loyalty—tried to see that a man who had served for fourteen years got the right medical treatment and had a chance of recovery. It is quite easy to say that our trusting him in that position was wrong. Perhaps it was. It is very easy to be wise after the event. But he was given a second chance, and at the end of five months' medical treatment was put at the head of the American Department.

This department in the Foreign Office deals principally with Latin-American affairs. Major questions relating to the United States are dealt with regionally—for instance, N.A.T.O. affairs would come under the Western Organisations Department, Middle East affairs would come under the Middle Eastern Department. The United States questions which are dealt with by the American Department are largely routine, welfare of forces, visitors, and the like. The appointment implied no promotion for Maclean and provided an opportunity to watch his conduct and his health. At this time, may I remind the House, no suspicion rested on him. . . .

Emanuel Shinwell [Labor]: How did Maclean come under suspicion?

Mr. Macmillan: I am coming to that later. It is in great detail. That is Maclean's career up to date, how he got in, how promoted, and what was his career up to the date of the suspicion.

Burgess's career in the Foreign Service was, of course, totally different from that of Maclean's. He was taken on as temporary press officer in the news department of the Foreign Office, which was then housed in the Ministry of Information, in 1944. His previous career, to the extent that it was then known, gave what seemed to be a respectable background. He had served with the B.B.C. [British Broadcasting Corporation] for six years.

From early 1939 until the end of 1940, Burgess worked in the special department which, on the outbreak of war, was responsible for propaganda to neutral countries. The appointment to the news department was temporary and did not involve establishment. In 1945, he took advantage of the opportunity open to temporary officers to apply for establishment in the junior branch of the Foreign Service. He appeared before a Civil Service Commission board which duly recommended him for establishment.

In fairness to the board, I ought to say that it was impressed by Burgess's excellent academic record as well as by the good reports which it received covering his employment in the B.B.C. and in the Foreign Office News Department. However, I must also say that we now know that Burgess's work while with the wartime department, to which I have referred, had been unsatisfactory. . . .

The fact remains that neither the Foreign Office nor the Civil Service Commission knew of Burgess's failings. This process by which he was established was not completed until October, 1947. In the meantime, the late Mr. Hector McNeil, who was then Minister of State, asked that Burgess be appointed to his private office as a personal assistant because of his experience in drafting and general publicity work, and this was done in December, 1946.

Burgess proved useful to Mr. McNeil who recommended him for promotion to the senior branch of the Foreign Service, but as there was a good deal of doubt about his suitability for the senior branch, and as he had little experience of the ordinary duties of the Foreign Office it was decided that he should be given a thorough trial on routine work in the Far Eastern Department.

While he was working in the Department, allegations were made that during a period of leave abroad, late in 1949, he had been guilty of a serious indiscretion about intelligence matters. The charges were fully investigated by a disciplinary board, and he was severely reprimanded, informed that he would be transferred and that his prospects of promotion would be diminished.

There was much discussion as to his future post. It was desirable to send him to a post where his general suitability for the Foreign Service could be properly tested. It was, therefore, decided to send him to Washington for a period of trial on routine work.

There have been suggestions that, having been guilty of serious indiscretions, he was promoted. That is not so. He remained, as he had been since his establishment, a member of the fourth grade of the junior branch of the Service. In Washington, Burgess was a failure.

(Continued on page 160)

–Black Star

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"Even when suspicion narrowed down to Maclean, the evidence was both inconclusive and circumstantial" . . .

The Ambassador reported unfavourably both upon his office work and upon his behaviour outside, and in May, 1951, four years after his establishment and nine months after his appointment at Washington, he was recalled, and the conclusion was reached that he would have to leave the service. Until the day of Burgess's disappearance there were no grounds for suspecting that he was working against the security of the state. He had been indiscreet, but, then, indiscretion is not generally the characteristic of a secret agent.

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The Mysterious "Leak"

I must now deal with the other questions which I posed about the escape of the two men, the competence of the measures taken to keep Maclean under observation and how he got warning of it. To understand the problem, I must first say something of the background. It was in January, 1949—a very important date—that a report was received that certain British information had become available to the Soviet authorities a few years earlier. However, there was no indication as to how it had become available. The leak might not even have been from British sources.

Diligent inquiries were begun immediately, but the field of possibilities to be covered was very large. Further evidence—which was not available when the investigation began—gradually came to light, and it is, in fact, greatly to the credit of the Security authorities that the circumstance in which that information had leaked to the Soviet Government became known at all. I cannot give the details, but it was an almost incredible act of skill that, given the magnitude of the task, how broad the possible field was and the paucity of the information available, the field was gradually narrowed down in the course of two years to one suspect, and that the right one.

° ° °

But, even when suspicion narrowed down to Maclean, the evidence was both inconclusive and circumstantial. The best, perhaps the only, chance of obtaining evidence which could be used to support a prosecution lay in obtaining admissions from him. But there was no firm starting point for an interview with him. It was highly desirable to obtain further information about his contacts and activities which could be used as a reason for questioning him.

A watch was, therefore, put upon him for the primary purpose—indeed, the sole purpose—of securing such information. As was said in the White Paper, everything depended upon the interview, and its success depended also on the use of an element of surprise. If he were alerted to the fact that he was under investigation or suspected it, all hope of obtaining the essential confirmatory evidence would probably have gone for good. [See footnote[1].]

For that reason, the decision not to watch him at Tatsfield was deliberately taken after a careful survey had been made of the technical problems involved in keeping him under observation in the neighbourhood of his home. The conclusion was that the risk that he would be put on his guard would be too great.

I should, perhaps, remind the House that in the case of Fuchs the Security Service decided to take exactly the same risk, and they were justified in the result. The object of the watch was to obtain evidence of contact or of something that he did that would be conclusive against Maclean. It was in no sense its purpose to prevent him leaving the country. It is perhaps worth remembering that there is no power to prevent a man against whom no charge can be brought from leaving this country. Whether this gap in our security ought to be closed is another question, and I will come to it in a moment. [See footnote[2].]

David Logan [Labor]: Would the right hon. Gentleman explain how two men in responsible positions and guilty of an aggravated offense, if proved, both got leave of absence at the end of the week, and why both of them, when they were supposed to be guilty of treason, were allowed to leave the country?

Setting a Trap

Mr. Macmillan: The first point was, of course, that to have refused week-end leave—which would have been very unusual—would have put the man on his guard all the more. And, as the object was to try to catch him in an action which would justify a charge, it was very important not to refuse leave or any other normal advantage given to the servant; and, as I have tried to explain, there is no power under the law of England to prevent a man leaving against

EDITOR'S NOTES: [1] The White Paper referred to, an official British Foreign Office report on Burgess and Maclean, was carried in full text by *U. S. News & World Report* in the issue dated Sept. 30, 1955.

[2] Klaus Fuchs, British nuclear-research scientist, confessed to spying for Russia and is serving 14 years in a British prison.

. . . "Mr. Philby had been a friend of Burgess"

whom the Executive is not prepared to produce a charge. Whether there ought to be I will come to in a moment, but that was the law as it then stood, and, indeed, as it stands today.

Nevertheless, it seems more than probable that Maclean somehow discovered that he was under observation. How, I do not know—we do not know. We do not know for certain.

The arrest of Fuchs on 2d February, 1950, may well have caused Maclean to wonder whether his activities in America might not eventually be uncovered. . . .

R. T. Paget [Labor]: Did not the withdrawal of the secret documents give that "tip off," and in view of that why have we to assume that there was a third traitor here at all?

Mr. Macmillan: I am coming to that point. That is another possibility, and I am trying to deal with all the possibilities.

Although, as I say, the circumstances are explanatory in the terms of a "tip off," they are not necessarily the effect of that. That is what I am trying to say. However, the possibility of a "tip off" had to be seriously considered, and searching and protracted investigations into this possibility have been undertaken, and are proceeding even at the present time.

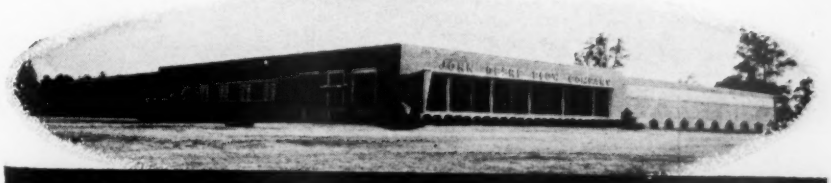
The "Third Man"?

In this connection, the name of one man has been mentioned in the House of Commons, but not outside. I feel that all hon. Members would expect me to refer to him by name and to explain the position. He is Mr. H. A. R. Philby, who was a temporary First Secretary at the British Embassy in Washington from October, 1949, to June, 1951, and had been privy to much of the investigation into the leakage. Mr. Philby had been a friend of Burgess from the time when they were fellow undergraduates at Trinity College, Cambridge. Burgess had been accommodated with Philby and his family at the latter's home in Washington from August, 1950, to April, 1951; and, of course, it will be realised that at no time before he fled was Burgess under suspicion.

It is now known that Mr. Philby had Communist associates during and after his university days. In view of the circumstances, he was asked, in July, 1951, to resign from the Foreign Service.

Since that date his case has been the subject of close investigation. No evidence has been found to show that he was responsible for warning Burgess or Maclean. While in Government service he carried out his duties ably and conscientiously. I have no reason to conclude

(Continued on page 162)



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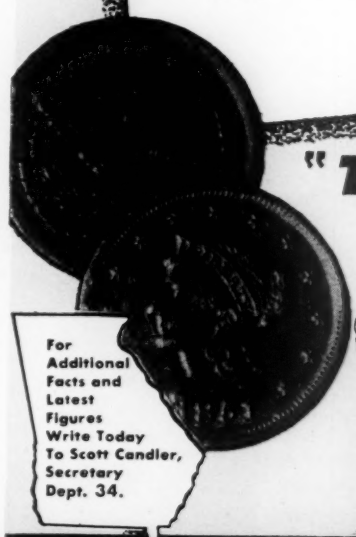

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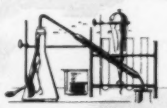

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"Nobody is being in any way shielded" . . .

that Mr. Philby has at any time betrayed the interests of this country, or to identify him with the so-called "third man," if, indeed, there was one.

As regards others whose names have been in any way associated with this affair, I have made, or caused to be made, and studied myself, the most careful, rigorous and impartial investigation into each case which I have been able to have made; and I can assure the House that nobody is being in any way shielded. . . .

Suspicion has also been cast on those who were aware of the decision of the then Foreign Secretary that Maclean should be interrogated. That decision was taken on 25th May, 1951, but the evidence of Petrov suggested that the flight of the two men was planned well before that date and, therefore, that really answers the case of any suspicion falling upon those who were privy to the decision of the right hon. Gentleman.

Why Burgess Ran Away

Sidney Silverman [Labor]: I understood from the right hon. Gentleman's account of the matter earlier that right up to the day when Burgess fled this country there was no suspicion against him at all and there was no investigation on security grounds. If I have that right, can the right hon. Gentleman then say why Burgess should run away?

Mr. Macmillan: Well, the fact that there was no suspicion on the part of the authorities against him does not mean that he may not have been conscious of his own guilt, and, therefore, thought that the best thing was to be off. I am just stating that there was not any suspicion against him. I think that that deals with that matter. I have been asked for full details, and I think that I ought to give them.

There is then the question of Mrs. Maclean. It is said that she ought to have been prevented from going to Switzerland to live with her mother, Mrs. Dunbar. It may be said that it was naïve to rely on Mrs. Maclean's assurance, and her mother's assurance, that they would keep in touch with the Security Service; and on Mrs. Maclean's alleged desire to educate the children out of England.

However, the point is that Mrs. Maclean is really of little importance. Anything she knew before Maclean left she must have got from him. She had no means of obtaining any information after he left, and whether she remained in this country or left made little difference. She could do no particular good in England she could do no particular harm abroad. Again, the overriding fact remains that there is no power under the law of Eng

. . . Another such affair is "exceedingly improbable"

land to prevent her from leaving this country.

Hon. Members will ask what lessons have been learned and what steps have been taken—that really is the vital point—to try to ensure that there can be no repetition of such a deplorable story. This leads me to the question of security checks. Since 1945, a check has regularly been made on all new entrants into the Foreign Office and all new temporary employees. This check is made to ensure that no adverse security record is held against candidates for employment.

Since 1945, all officers already employed have been so checked, but it is acknowledged that this check is not adequate—what is called the negative check—since it will only reveal persons who have already come to the notice—unfavourable notice, if you like—of the security authorities. Indeed, when applied to Maclean and Burgess, it revealed nothing about the subversive political associations of their early days. From 1951 onwards, it was recognised that more must be done to check the reliability of persons holding important positions in the public service.

° ° °

The review which I have given of the security measures taken in recent years will, I hope, convince the House that everything that it is possible to do under existing law—or everything that we can see—has been done to protect us against treason and subversion by Government servants, or by others, who have secret material. To the extent that security practices can be improved under existing laws every effort has been made to achieve it, and I believe that these measures make the recurrence of an affair such as this exceedingly improbable—I do not say that they make it impossible.

° ° °

"Limited" Number of Suspects

Herbert Morrison [Labor]: . . . I will tell the story of my own part in this matter. In the middle of April, 1951, I was verbally informed, in general terms, of leakages that had occurred. At that time, it was still not known who were the informants, although suspicion narrowed down to a quite limited number of people. To the best of my recollection the names were not mentioned to me.

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The Security Service arranged to investigate, and it sought and obtained full Foreign Office co-operation. I hope that no one here or outside the House will think that anybody in the higher reaches of the Foreign Office who were respon-

(Continued on page 164)

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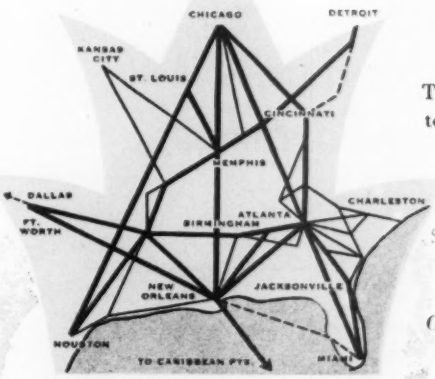

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"Secret papers were withheld from Maclean" . . .

sible in this matter would for one moment have sought to protect any of their colleagues from a charge of espionage. I am quite sure that they would not, and that would be an unjust suspicion.

At a later date, as outlined in the White Paper, Maclean became the principal suspect, and as a consequence some top-secret papers were withheld from him. That was a decision which, no doubt, occasioned some difficulty because it might arouse suspicion. On the other hand, if the papers had continued to be supplied to him, it would have laid the authorities open to great criticism in due course if trouble arose. In all these matters we have to remember this dilemma of the security authorities. . . .

The evidence against these men at the material times right up to their departure was insufficient to warrant decisive action on charges of espionage. . . .

The first minute that I received on this matter from the officers of the Department was on 25th May, 1951. . . . On that day I authorized the questioning of Maclean. . . .

In the light of the Maclean and Burgess experience, I set up the committee of inquiry to which the Foreign Secretary has referred, and I was grateful to the members of that committee for the work they did, though they reported after I had ceased to be Foreign Secretary. They reported to my successor in November, 1951 and, as we have heard, further security checks were recommended, and according to the White Paper they have been put into effect.

Burgess Was "Suspended"

It has been asked why Burgess was on leave. Burgess was not exactly on leave. He was in substance suspended with a view either to his resignation or dismissal after he had been heard by a disciplinary board. It was during this period that he disappeared. But I will return to the merits of these two gentlemen—if that is the right word—later.

I must say in justice that the case of Burgess—that is to say, of his troubles in Washington—was not raised with me as it was hoped he would resign. It would have come to me after the disciplinary board had heard him. I think I ought to have been told earlier about the troubles of Mr. Burgess in Washington, and I am inclined to take the view that after he had been heard by the disciplinary board I should have dismissed him. Further, it must not be forgotten that even then it would not have prevented him from escaping from this country.

° ° °

. . . "We have taken a series of measures"

I do not like to say this but I feel I must say it. It is not a peculiarity of the Foreign Office for it runs through the Civil Service, and the motives are, I think, in many ways meritorious. It is not a matter to be recklessly condemned, I think, that in the Civil Service as a whole—whether it is more so in the Foreign Office I do not know—there is a tendency, if an officer falls down on his job or is guilty of an offense which is somewhat serious, to say, "He is an old colleague. Can we not do something about it to prevent him from being fired?"

Often what happens is that he may be transferred to other work. [HON. MEMBERS: "Promoted."] I would not say "Promoted," for that is perhaps going rather far, but one never knows. He may be transferred to another state department, and new state departments are particularly likely to get such men. Or he may be rebuked. I think that a little sacking now and again would not do any harm. It would do some harm to the men concerned but it might do a lot of good to the rest of the Service.

° ° °

The Prime Minister (Sir Anthony Eden): I must start by saying that this has been a very sad day for the Foreign Service, and a very sad day for our country, too, because the reputation of the Foreign Service is part of our national reputation. Personally, I think we could have done no other than offer and hold this debate in view of all that has happened.

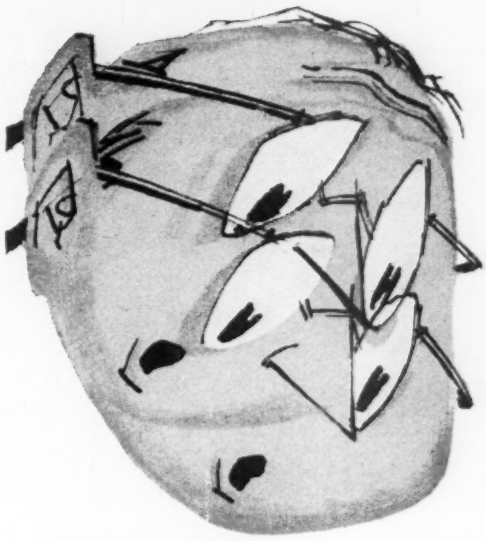
° ° °

I have been asked a number of questions about the private contacts of Burgess and Maclean. Many of them I cannot answer, because I do not know the answer. But this I can say: It was as a consequence of this which led us in 1952, following on the examination which, quite rightly if I may say so, was set in train by the previous Government, to adopt these whole series of measures which we have taken.

° ° °

. . . There is no reason to suppose, I am told, that there is any connection between the departure of Burgess and the defection of Otto John. That does not mean to say that we know everything about these things, but that is our information. I was asked also something which is more important—and I think that we must get this clear if we can—why was not the Fuchs treatment applied to Maclean? My answer, after elaborate researches, is that I think it was applied to Maclean in exactly the same way. As I understand it, what the Government, at

(Continued on page 166)



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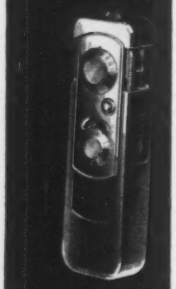

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"Perhaps we were a little laggard" . . .

that time, the Foreign Office at that time, were trying to get was evidence with which to confront Maclean as Fuchs was confronted with evidence—not complete evidence, but enough evidence to have a chance to get him to confess more. [See footnote.]

As I understand it, the trouble about Maclean was that there was not anything like the amount of evidence to enable him to be treated on that subject as Fuchs had been treated. But it was hoped by using this method, to get enough evidence against Maclean to treat him specifically as Fuchs was treated, and that the intention was exactly the same in the Maclean case as in the Fuchs case. I think that is right, and I think that is necessary, but what the hon. Gentleman was—

Mr. Crossman [Richard Crossman, Labor]: Surely, the trouble is that Fuchs was not "tipped off," whereas in the case of Maclean, if we understand aright, the denial of secret papers to Maclean gave him warning?

The Prime Minister: I wonder. I know the hon. Gentleman said that—I am afraid that I am not familiar with all the details of what secret papers were stopped and what were allowed to go through. It could have tipped him off, but I imagine that it was very intelligently done. I would rather doubt—though I do not know—whether that was what tipped him off. I was rather puzzled when the hon. Gentleman went on to ask why the Government at the time did not warn the ports and withdraw the passports.

Mr. Crossman: No, I did not say that.

The Prime Minister: Well, somebody else did. That, most certainly, would have alerted him completely. . . .

° ° °

As the Foreign Secretary explained earlier this afternoon, for many generations past, perhaps for centuries past, it has happily been unnecessary to question the loyalty of men and women in the public service. Perhaps—and I admit this to the hon. Member for Coventry, East; I think perhaps there is something in this—that induced a certain tendency to feel that it cannot happen here. That, I think, may well be true. Perhaps we were a little laggard to realise the danger for that reason, but there is no doubt at all, and I really can assure the House of this, that any such comfortable illusion was finally shattered by the disappearance of Maclean.

EDITOR'S NOTE: Otto John, West Germany's No. 1 counterspy, who once worked for British intelligence, went over to the Communists in 1954.

. . . "How far to go in pursuit of security?"

No time was wasted once the extent of the threat was understood. There has been a progressive tightening of security measures throughout the public service. The Foreign Secretary has described the positive vetting, and I do not want to go into that any further, except to say that I think those proposals go as far and are as stringent as this House would be willing to approve without encroaching on those principles which hitherto Parliament has most jealously guarded, and, I think, rightly guarded.

Protecting Security of State

Let me conclude with this observation. This debate has shown that this is not a matter which concerns only the political party which happens to be in office. We are all agreed about that. We all agreed to see that every justifiable precaution is taken to ensure that men and women in the public service shall not work against the security of the state. I would, therefore, propose—as I have proposed to the right hon. Gentleman the Leader of the Opposition—that we should convene a small, informal conference of Privy Councillors from both sides of the House.

I say Privy Councillors not, I beg the House to believe, because we think that we are better than any other people, but because it is those who actually dealt with these matters who, I think, can now usefully discuss them further. I propose that we should examine together—if the House were willing that we should do so—the security procedures which are now applied in the public service; and also consider whether any further precautions can properly be taken to reduce the risk of treachery, such as that which we have been discussing today.

That is the offer I make. I do not ask for an immediate answer, but I would ask the House to ponder it. In certain measure, I think that it covers all the suggestions made this afternoon, but behind it there is a larger question, and I want to close by putting this to the House.

° ° °

Behind all that the House has been discussing this afternoon, behind the anxieties, the fears—to some extent the confusion—there is a larger question, and it is this: How far are we to go in pursuit of greater security at the cost of the essential liberties of the British people? That is why I have suggested Privy Councillors—who are not judges. This is not, I think, a matter for judges, but for Parliament. The only reason that I said Privy Councillors is that they are members of Parliament. It is essentially Parliament's decision.

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Trends in home building are going to be watched carefully in Washington.

Construction activity is viewed as a mainstay to general business health.

Some softening in the housing boom would not be unwelcome to officials, but any significant decline would call for corrective action.

Official policy is to try to maintain home building at a rate of 1.2 million starts a year. That's slightly below this year's 1.3 million, but not much below the current seasonal rate of housing starts.

If new housing does dip below 1.2 million units a year, easier credit terms are likely to be offered. That assurance comes from Albert M. Cole, Federal Housing Administrator. It's apparently backed in other quarters.

Official forecast of next year's building activity is for an increase.

Total outlay for 1956 construction is put at 44 billions, a 5 per cent gain from this year's expected 42 billions. That's the joint estimate of Commerce and Labor departments, one which has been low in other years.

A gain of 5 per cent in building activity in 1956 would be smaller than the 11.7 per cent gain of 1955 over 1954, but it would keep the boom alive.

This forecast indicates that officials are counting on 1956 being a very good year for business in general, moderately better than the 1955 record.

Outlay for housing, which accounts for more than half of total private building, is expected to dip only by 1 per cent from this year's 16.3 billions.

New dwelling units are expected to call for 14.3 billions in 1956, a drop of 3 per cent from this year's 14.8 billions.

Alterations and additions to existing houses, however, are down for a 20 per cent increase in the official forecast.

Housing starts are estimated at 1.2 million units next year, but the houses to be built are expected to cost a bit more than in 1955.

Next year's home construction is expected to include larger houses, with more quality features. The high rate is expected to be maintained by demand for better houses, an increase in population, continued movement of families and a large volume of old houses to be demolished or abandoned.

It's in nonresidential building that big gains are expected in 1956.

Total outlay in this field, privately financed, is put at 8.7 billions, compared with 7.6 billions this year. That's a jump of 14 per cent.

Industrial building is headed for a 17 per cent rise in the year ahead. Officials are banking on continued expansion by industry.

Office buildings, warehouses and lofts are expected to rise 9 per cent.

Stores, restaurants, garages are estimated to be up 17 per cent in 1956.

(over)

Written for the issue of November 18, 1955, Volume XXXIX—No. 21
U. S. NEWS & WORLD REPORT

Churches, private hospitals, private schools are to rise 11 per cent.

The forecast, in effect, says the boom has not been overextended. Growth is expected to continue in 1956, but at a slower pace than in 1955.

Public construction, too, is expected to rise--by 10 per cent. Gains are seen for highways, schools, sewers, water systems, public buildings and conservation projects. Military installations also are expected to be larger.

Contract awards in October for new construction, reported by F. W. Dodge Corporation, show a 5 per cent decline from a year ago.

The October dip marks the first year-to-year decline since April, 1954.

Contracts for new houses were off 8 per cent from October, 1954.

Note that these are reports on future construction. They may be a sign that Government estimates are a bit on the optimistic side.

Employment continues to reflect the results of the business boom.

Total employment in October is reported at nearly 65.2 million, a record for the month. That's for both farm and nonfarm workers.

Gain over a year ago comes to 3 million more people at work.

Workers on farms continued at 7.9 million in October, same as September. That's unusual. Farm employment usually drops at this season.

Workers in factories, stores, offices, etc., topped 57.3 million, a gain of nearly 2.4 million from a year ago and 398,000 over September.

Family breadwinners--people 25 and above with jobs--reached an all-time high during the month at 55 million--another reflection of prosperity.

Unemployment held at 2.1 million, chiefly because more people--wives and other new job seekers--entered the labor market. That, too, is a sign of high business activity. More people seek work because it is easier to find.

Increased efficiency also shows up in the employment figures.

Factory employment, after seasonal adjustment by Federal Reserve Board, is reported at 16.7 million for October.

That's below the high mark of June, 1953--4.4 per cent down.

Industrial output, at the same time, is at record levels.

Factories, in other words, are turning out a larger volume of goods with a smaller force of workers. That's been going on all through this year. It testifies to industry's ability to improve methods of production.

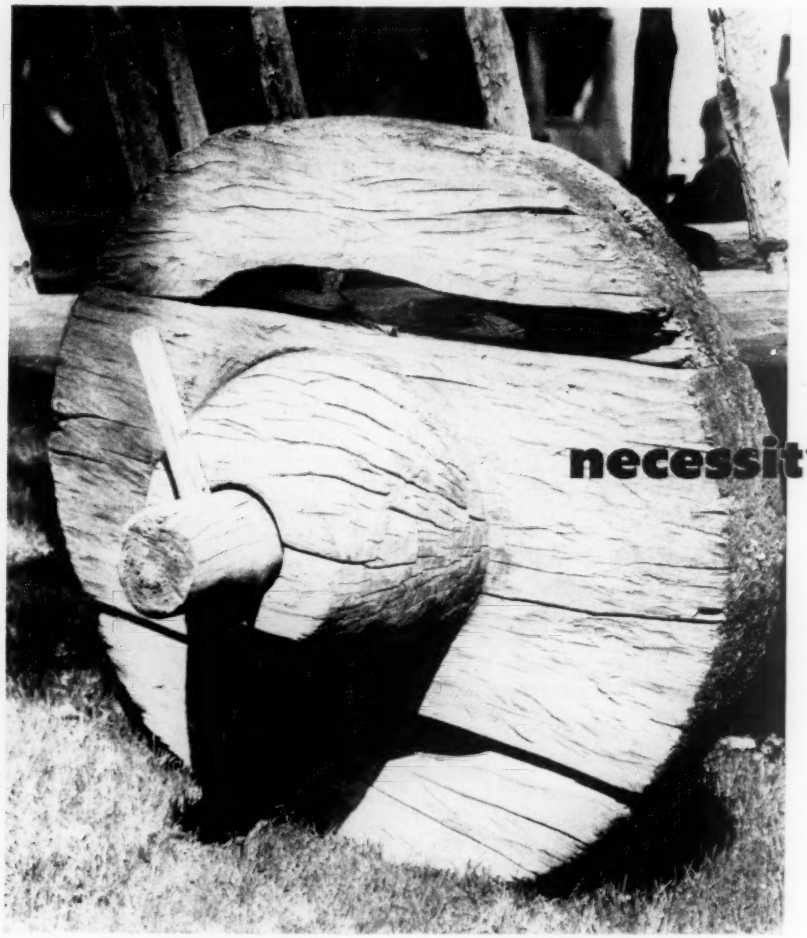
Workers, however, are putting in more hours of work a week. Average workweek is 41.2 hours, longest since December, 1952. Biggest gain over a year ago is in the primary-metals industries--steel mills, aluminum plants, copper refineries. Workweek in these industries is up 3.1 hours.

Stockholders in U.S. companies also are sharing in prosperity.

Cash-dividend payments for the first nine months of the year are reported to have been 7.1 billion dollars, nearly 10 per cent above the same period in 1954.

Year-to-year increases have steadily grown larger. Gain in first quarter, 1955, over 1954 was 5 per cent. Gain in second quarter was 11 per cent, and, in the third quarter, dividends were 13 per cent higher than a year ago.

Outlook is for a substantial increase in year-end dividends.



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Stocks Are Picking Up Again Nearly Everywhere

Signs of recovery are being noted in stock markets around the world, following some of the sharpest declines in years.

In some nations, stock prices are up substantially from lows.

The shock of Mr. Eisenhower's heart attack is wearing off. And now people no longer expect tougher controls on credit.

Special factors, though, are operating in each country.

Reported from NEW YORK, LONDON, PARIS, ROME, FRANKFURT, AMSTERDAM and STOCKHOLM

Stock markets almost everywhere are beginning to get hold of themselves again, after a severe attack of jitters.

In the U. S., popular stocks have regained most of the price losses of recent weeks. In Britain, Holland, some other countries, stock prices have risen from their lows and are holding.

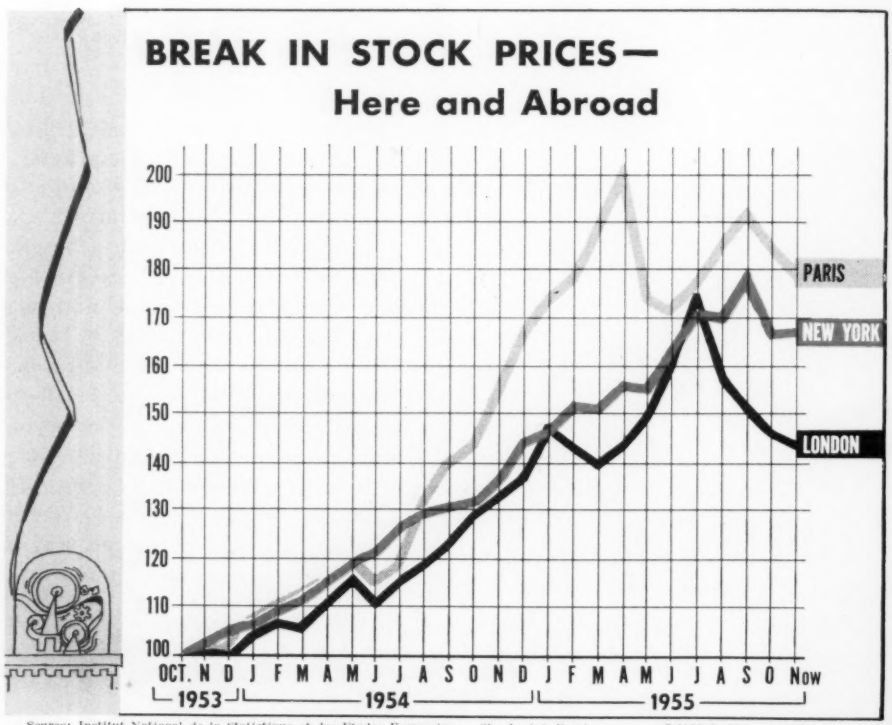
The market declines that hit stocks all over the world had been set off largely by efforts of governments to tighten credit in order to avert inflation. Even before President Eisenhower's heart attack, widespread restrictions on borrowing had turned interest rates up and stock prices down in Britain, France, Sweden, for examples. The news of the President's condition brought other downturns.

Now signs of stability in stock prices—and in some countries instances of recovery—are beginning to crop up. The impact of Mr. Eisenhower's setback is lessening. In many countries, too, investors have ceased to expect new and tougher action from their central banks.

In New York, for example, the popular stocks listed on the Dow-Jones index of 30 industrials have regained more than two thirds of the value they lost in the decline following the news that the President was hospitalized. Prices of those stocks, on the average, are only about 3 per cent below their peaks of September 23.

Most of the recovery in stock prices in the U. S. has taken place since the end of October. And the strength of prices for

(Continued on page 174)



Source: Institut National de la Statistique et des Etudes Economiques, Standard & Poor's Corporation index of 480 stocks, *Financial Times* index of 30 industrial shares

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Fourth of British stock decline has been erased . . .

blue-chip shares has not spread to anything like all of the stocks included in the broader index shown in the chart on page 172.

Even so, the leadership offered by popular U. S. shares is being followed by stocks in some other countries.

In Britain, stock prices have erased nearly a fourth of the decline that got under way in July and speeded up at the news of Mr. Eisenhower's illness.

Share prices in England had hit a high on July 21 that was about 75 per cent above the average level of October, 1953, according to the *Financial Times* index. It was at this point that Britons got the news about a serious drain on their vital reserves of gold and dollars—

—USN&WR Photo

IN NEW YORK . . .
. . . signs of stability

and about the Government's austere plans to correct the problem.

Those plans were less drastic than many in Britain expected. Yet new and tighter controls were put on consumer credit. Bankers were told to be even more chary with their funds. Government promised to cut its spending.

Within two weeks, stock prices in Britain were off by 7 per cent. August prices averaged about 10 per cent below the peak. After Mr. Eisenhower's illness became known, share prices hit a low about 19 per cent below the peak.

The tense situation in the Middle East and a growing impression that the "cold war" with Russia still is on have not eased British doubts.

Even now, British investors cross their

(Continued on page 175)

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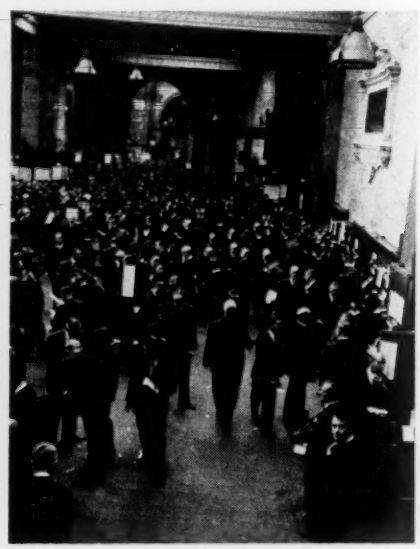
. . . London investors regaining confidence

fingers when they think of their country's immediate economic outlook. Britain's ability to hold her export markets, in the face of stiffening competition, is being seriously threatened.

The fact is, however, that in recent weeks the United Kingdom has made some gains in the battle between imports and exports. The drain on reserves has been halted. Accordingly, British investors are becoming convinced that no further tightening of inflation controls is in the works. It is these developments that account for what appears to be a slow recovery of confidence in Britain.

In France, stock prices have been showing new signs of firmness, hints of what may a developing stability. At the



IN LONDON . . .
. . . signs of recovery

moment, investors have their eyes on the French political situation. Investor attitudes are in a state of suspension.

After several recent Cabinet crises, the market wavered, then recovered.

Market analysts in Paris still feel that the price level of shares in general is extremely high. Three years of stability in other prices, a steady climb in industry output, a shift of hoarded gold and other holdings into industrial shares—all served to create a strong bull market in France.

The first break in the French market came early in May, after an 18-month rise that lifted share prices to levels twice as high as in October, 1953. After a drop of about 20 per cent, stock prices were in a strong recovery when news came about Mr. Eisenhower. You can see

(Continued on page 176)

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Finance Week [continued]

German stock prices start to stabilize . . .

from the chart what that did to the French market.

In West Germany, too, signs of something like stability are appearing in stock prices.

It was news of Mr. Eisenhower's attack that set off sharp declines in stock prices. This came after a 2½-year bull market during which prices rose to a level about 2.7 times that of early 1953. In the downturn, stocks lost about a fifth of their peak values.

Dumping of foreign holdings of German shares took place first, followed in October by domestic sales. Tighter reins on credit, applied by central banks, brought heavy sales of bonds, then liquidation of shares.

These depressing factors were magnified by talk of a threatening wage-price spiral and the effect it might have on export prospects, by the possibility of a metalworkers' strike in the Ruhr, and by mounting danger of war in the Near East—a big market for German exports.

Chancellor Adenauer's illness, the French North Africa crisis and—more recently—disappointment over news from the Geneva Conference, contributed to weakness in demand for shares.

For these reasons, stock prices in Germany—unlike those in U. S.—have failed to make any substantial recovery. Yet signs of something like stability have been appearing in recent days and weeks.

In Italy, stock prices kept right on climbing, with scarcely any hesitation, even after Mr. Eisenhower's hospitalization. Since early October, when a record high was established, stock prices have leveled out.

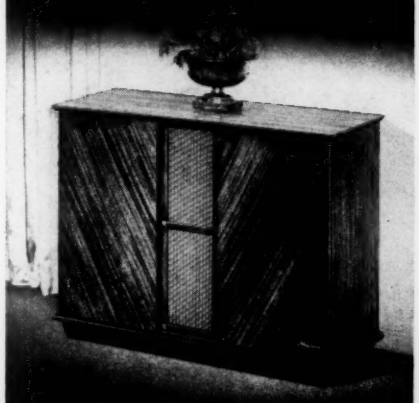
This exceptional performance is credited largely to the success of a central banking system which acted quickly. Immediately after the President's attack, the bank intervened to pour market-sustaining credit into the economy. This "hypo" of credit is recognized as an artificial prop—but one that is effective as long as economic conditions remain relatively prosperous in Italy.

Actually, Italian businessmen regard their country's financial structure as extremely fragile. They are convinced that, if action by the central bank had been less swift or sure, Italian stocks would have turned down on news of the President's setback, and that the drop would have brought a wave of business bankruptcies and a welter of demands for subsidies to head off unemployment.

Elsewhere in Europe, the ebb of confidence appears to have been halted and, in many countries, reversed.

(Continued on page 177)

LIVING MUSIC



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. . . In world markets, stability is growing

In Amsterdam, stocks have been moving up cautiously after a drop of about 15 per cent from the late-October high. So far, about a third of the loss has been erased. Recent gains are credited to American buying in Amsterdam and to good profits by Dutch firms.

In Brussels, shares hit a bottom on October 12 at a point about 8 per cent below the September peak. Since then, recovery has been substantial.

Stockholm's market high was reached in April, when official action to dry up credit turned interest rates up and stock prices down. There was an additional drop of about 10 per cent in stock prices after Mr. Eisenhower's heart attack became known.

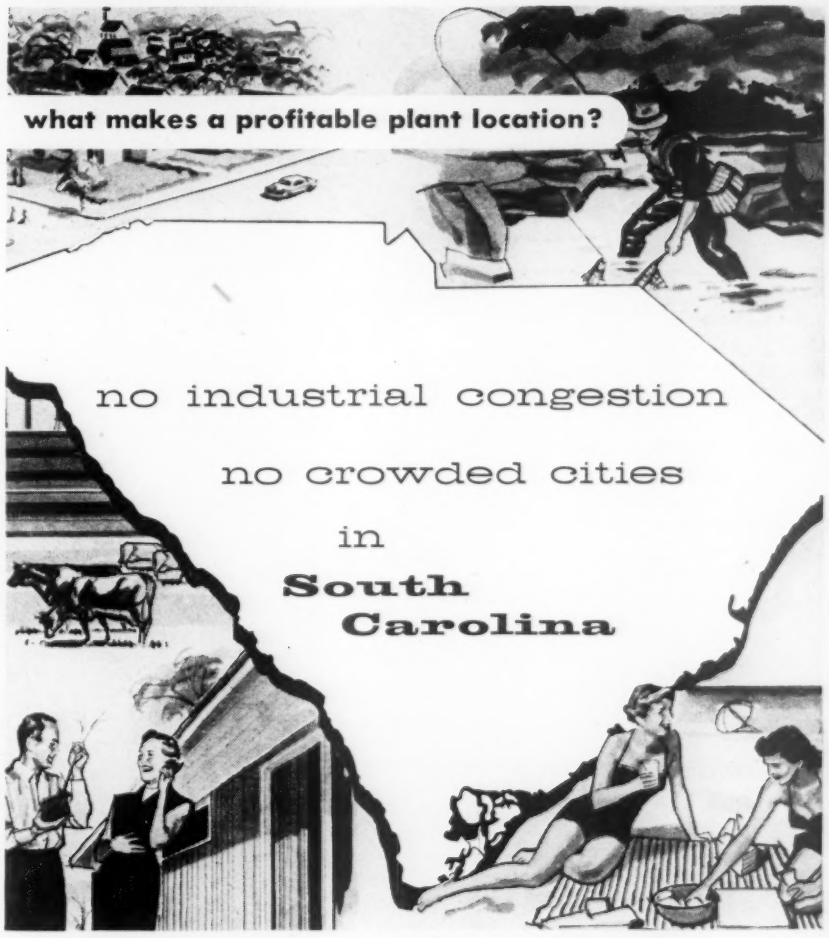
In Zurich, stock prices have been rising in recent weeks and now have recovered about two thirds of the decline that followed the President's attack. This means a level about 10 per cent below the record high of last summer.

Almost everywhere in the world, it appears, corporation stocks have gone through long bull markets to reach 1955 peaks and reversals, then growing stability.

› **Interest rates.** A nationally known economist foresees no continuing rise in interest rates on long-term loans in years ahead, despite the prospect of a tremendous demand for funds to finance big capital outlays. But Dr. Roy L. Reierson, vice president and economist of Bankers Trust Company, New York, believes that both personal incomes and savings will go on rising to help offset the growing demand for investment funds.

› **Good earnings.** Profits of 749 corporations surveyed by the First National City Bank of New York showed a 33 per cent rise in the third quarter of 1955 from the third quarter of 1954. For many companies, both sales and earnings topped previous highs reached in 1950 just after the outbreak of war in Korea.

› **Credit controls.** Action, or lack of it, on the part of the Federal Reserve System still offers no support for recent predictions that easier money is due shortly. While business loans by reporting banks jumped 179 million dollars in the latest week, the System added only 29 million to its holdings of Government securities. Member banks found it necessary to borrow an additional 200 million dollars from Federal Reserve Banks to cover their own lending. Commercial banks now are well over a billion dollars in debt to the System.



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We've Been Asked:

ABOUT RECOVERY IN HEART CASES

- With the President better, people are wondering how completely a heart patient can recover.
- You are told here how doctors size up the effects of thrombosis, the value of operations.

Just what does a thrombosis do to the heart?

An attack such as a thrombosis causes some permanent damage to the heart. The damaged portion is dead and useless. The patient has to get along with what is left of his heart muscles.

Can a patient return to an active life?

Oh, yes. The patient's recovery, basically, depends on how bad the thrombosis was, the amount of undamaged muscle tissue he has left. It also depends on the condition of his other coronary arteries.

Recovery also depends quite importantly on the heart's natural reserve. People differ a lot. Most people have more heart than they basically require, with some reserve to call on in case of need. Some people have more reserve than others.

Then a person with a strong heart has a better chance of recovery?

After a thrombosis, the reserve supply of muscle in some cases may be so great that the patient is quite well off. He may be as well off, so far as his heart is concerned, as some persons who have had no thrombosis.

Is there ever complete recovery?

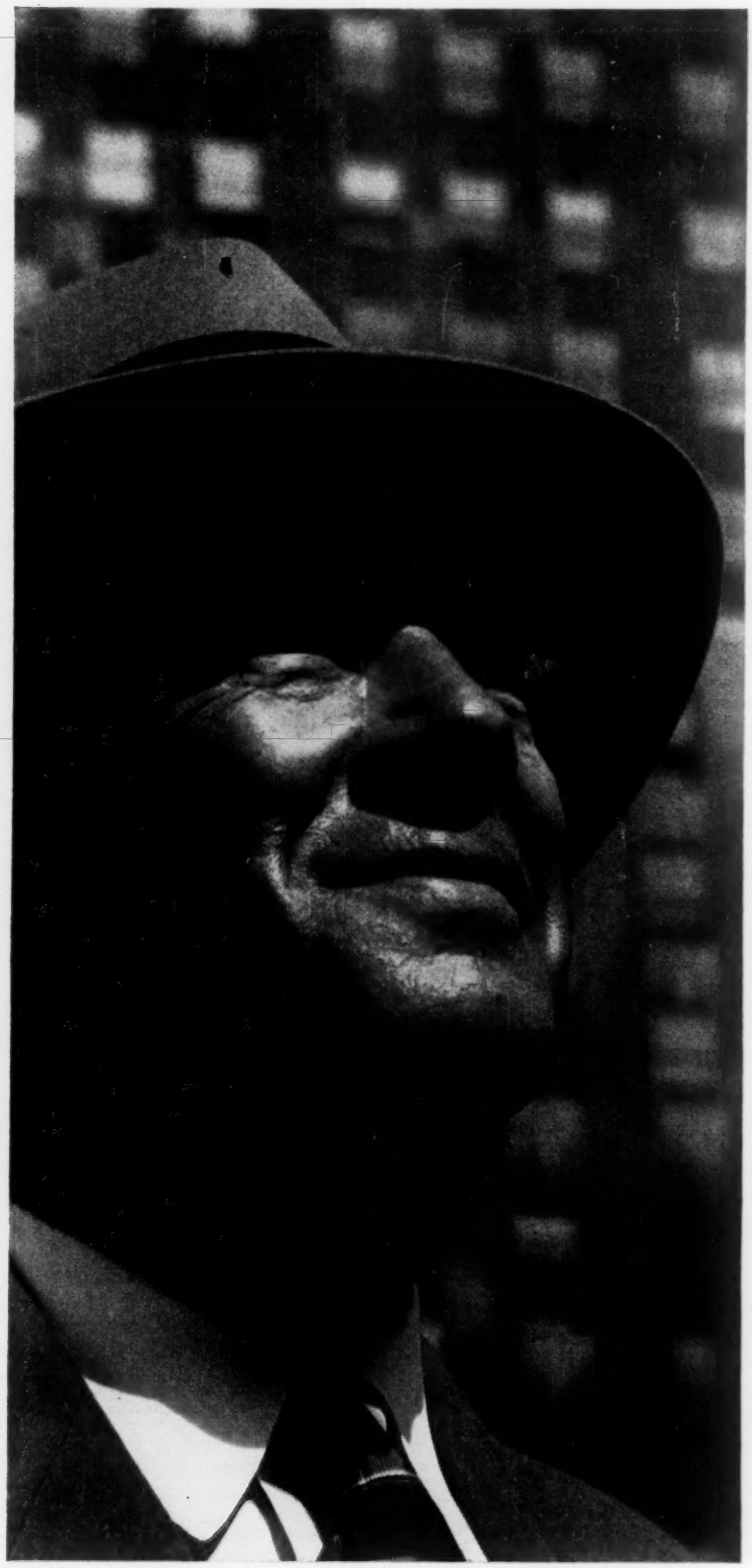
No, not in the sense that the heart is as good as it was. A thrombosis does some permanent damage. Few patients are ever advised by their doctors to engage in completely unrestricted activities, once they have had a thrombosis. All patients must feel their way slowly, testing their hearts, finding out how much they can stand.

After long experimentation, by trial and error, the doctor can determine just how much of a patient's prethrombosis activity he can safely allow. But almost never can a patient exert himself to his fullest, once he has had a thrombosis.

How about heart operations to cure victims of thrombosis?

Operations in these cases are intended to give an extra source of blood to the

(Continued on page 180)



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. . . Operations: There have been fewer than 1,000

undamaged section of the heart. They do not change the damaged portion.

The idea of surgery is to make the undamaged part more healthy, better able to withstand strain and to bear up in case another thrombosis occurs. The more blood the heart has, the better off it will be.

Just what does heart surgery do?

The earliest thrombosis operation on a human being was performed about 16 years ago by Dr. Samuel A. Thompson, of New York. In this operation, the surgeon opens the membranous sac around the heart and sprinkles asbestos dust over the surface of the heart muscles. This causes intense inflammation. On the surface of the heart is a raw area like a healing burn.

This causes new blood vessels to form. They grow in from the sac, spreading into the heart muscles. That brings in a new blood supply.

Are there any other methods of heart operation?

Four years ago, Dr. Claude S. Beck, of Cleveland, introduced a variation on the Thompson operation. After slitting open the sac, the surgeon scratches the outer surface of the heart and the inner surface of the sac with a file-like instrument. This rasping produces irritation. Then, he sprinkles asbestos dust, as in the other operation.

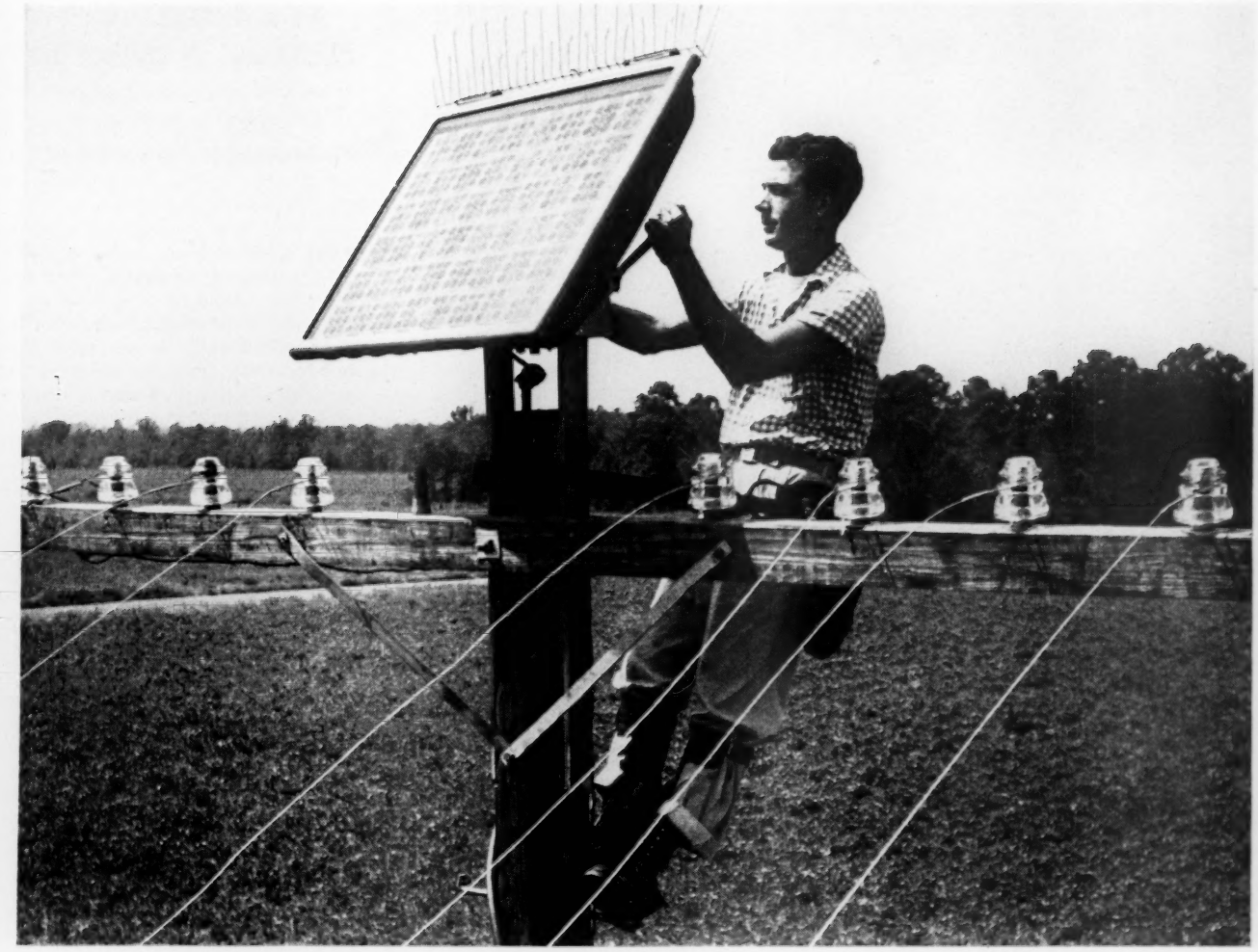
Next, he partially ties off the main vein that takes blood away from the heart muscles. This has the effect of backing up the blood flow a little in the heart muscles, thus increasing the amount of blood held in the heart muscles and causing new blood vessels to form.

A third type of operation frees one of the chest arteries from the surrounding tissue and cuts it off. Then, a circular tunnel is made in the heart muscle and the artery is drawn into it. Blood vessels are believed to sprout from the artery into the heart muscle, bringing in new blood.

Are operations endorsed by the medical profession?

Not completely. Physicians say it has not been proved to their satisfaction that more blood gets into the heart muscles through operations. They say that the operations still are experimental. Probably not more than 1,000 coronary-thrombosis operations have been performed on human beings.

SUNLIGHT POWERS TELEPHONE CALL FOR FIRST TIME



Bell Solar Battery is mounted on telephone pole at Americus, Georgia, to power an amplifier on rural telephone line.

Bell Solar Battery

TAKES ANOTHER STEP FORWARD

Bell Telephone Laboratories invention to convert sun's rays into electricity now used in interesting test. Has wide possibilities for telephone service and in many other fields.

As far back as Archimedes, men were searching for a way to put the almost limitless power of the sun to practical use. The dream of centuries has been brought closer to realization by the Bell Solar Battery.

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An interesting test of the battery's possibilities is now under way at Americus, Georgia, where it is powering an amplifier station on a rural telephone line.

Mounted on a telephone pole, it furnishes electric power during daylight hours. At the same time it charges a storage battery to provide power for nighttime operation and periods of cloudiness.

What has been done so far is the opening of a door through which we can glimpse exciting new things for the future. Increasing hope for success in harnessing more and more of the power of the sun has come from the Bell Telephone Laboratories development of the Bell Solar Battery.

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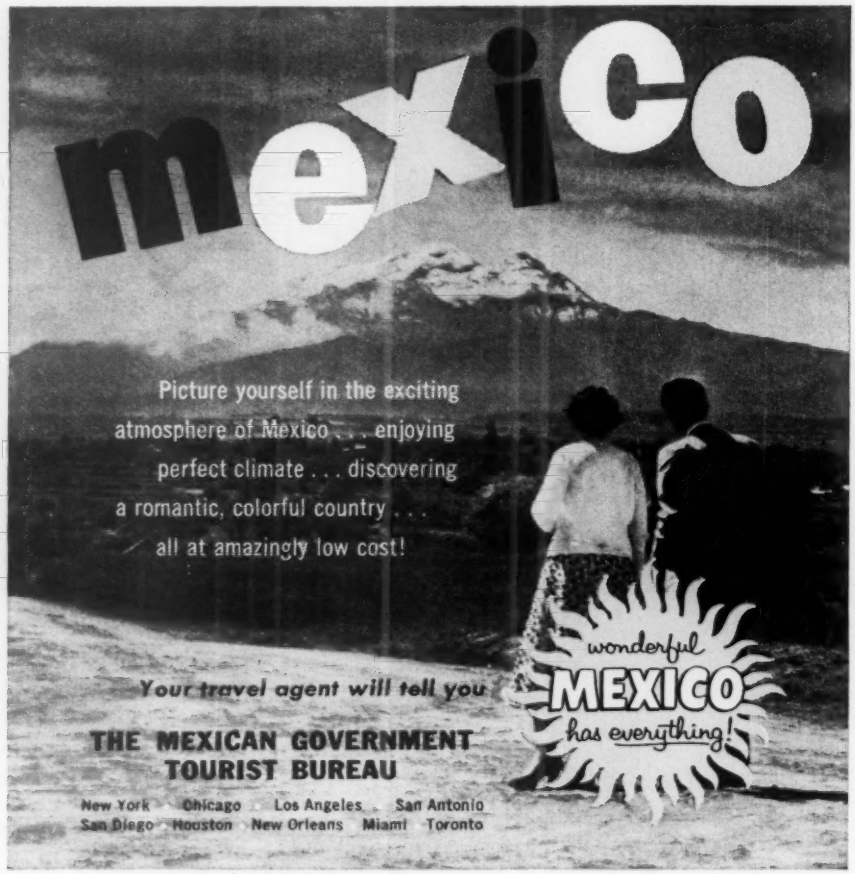
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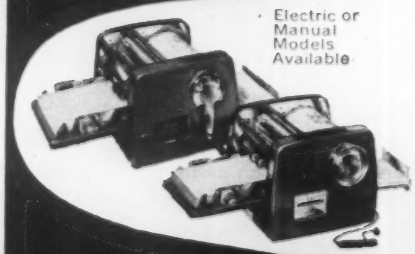

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NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN** expect, as an employer in a ***seasonal industry,*** that from now on your employes who take on supervisory duties during peak periods of plant operation will be excluded from union bargaining units for election purposes. The National Labor Relations Board, reversing an old rule, decides that individuals "who spend a regular and substantial part of their time performing supervisory duties on a seasonal basis" are supervisors within the meaning of the law.

* * *

☑ **YOU CAN** perhaps participate in the Small Business Administration's ***"pool loan"*** program now. First pool loan has just been made to a group of 19 small Maine firms under a program authorized by Congress last July. The loans are designed to help groups of small-business concerns in setting up facilities to produce or procure raw materials or supplies.

* * *

☑ **YOU CAN** expect to be able to ship "peaceful goods" to Russia under much easier ***export controls*** before long. Under a procedure to be put into effect by the Bureau of Foreign Commerce, exporters will be allowed to ship many nonstrategic goods to Russia on "general" licenses, rather than the "individual" licenses that have been required in the past.

* * *

☑ **YOU CAN** make contributions to an employe ***profit-sharing plan*** under more liberal rules if a proposed Internal Revenue Service regulation is given final approval, as expected. The proposed regulation omits an important clause that, until now, required all plans to be "based on a definite predetermined formula."

* * *

☑ **YOU CAN** still ship goods to Britain under the "Token Import Plan" for 1955. The Bureau of Foreign Commerce announces that 1955 quota balances for more than 100 commodities are available following the October 1 distribution of allowances. To apply to any of the unused quota balances, orders or sales contracts must call for delivery before March 31,

1956. Applications must go to BFC's British Token Import Plan Unit by December 31.

* * *

☑ **YOU CAN** now plan to pay a ***Christmas bonus*** with increased assurance that the regularity and uniform size of your bonus grants will not cause those payments to be held as regular pay to be included in figuring overtime rates. A district court decides that those factors need not be conclusive in determining whether bonuses are "discretionary" with the employer.

* * *

☒ **YOU CANNOT** expect to get ***capital-gains*** treatment on gains or losses in futures transactions entered into to protect your manufacturing operations from increases in the prices of raw materials. The Supreme Court declares that the dealings of a corn-refining company in corn futures resulted in ordinary income, not capital gains.

* * *

☒ **YOU CANNOT,** as a ***trust beneficiary,*** offset the operating loss of one trust against the income of another for tax purposes. The Tax Court rules that, since "a trust is a separate juristic entity" and its "income and deductions are not consolidated with those of other trusts or entities," the losses of one may not be offset against the income of the other even where there is the same beneficiary of two separate trusts created by the same grantor.

* * *

☒ **YOU CANNOT,** as a Government contractor in the paper and pulp industry, adhere to the present ***minimum wage*** of 75 cents an hour after December 5. Secretary of Labor issues a new minimum wage of $1.115 for journeymen and $1.065 for learners in the paper and pulp industry, and rates of $1.08 and $1.02 for the envelope industry. Rates for the industry's paper-bag branch are 99 cents and 94 cents.

* * *

☒ **YOU CANNOT** engage in manufacture of commercial dental appliances after December 2 without taking note of ***trade-practice rules.*** The Federal Trade Commission, acting at the request of industry members, sets up new rules covering deceptive promotions, claims, demonstrations and the like.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

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A YEAR IS A LONG TIME

By David Lawrence

IT'S JUST ABOUT A YEAR before the 1956 election, and many things can happen to affect the selection of a nominee by the Republican Party before the next Convention is held nine months hence.

For one thing, it is possible to wake up some morning in the next nine months and find that a revolution has broken out in the Soviet Union and that a free government has come into power.

It is possible, also, that the satellite states, including East Germany, may be the scene of such disturbances as to cause the Kremlin to change its policies and agree to free elections and the establishment of independent states in Eastern Europe.

Neither of these two contingencies seems likely to occur in the next nine months, but if they did, war would be less likely and tension would be considerably reduced, in which case President Eisenhower might feel that he should be released from any obligation to serve further in the White House.

But, the signs point the other way—toward more, rather than less, tension.

This means that it is more than ever necessary for Dwight Eisenhower to remain as President of the United States. This writer opposed on domestic issues the various elections of Franklin D. Roosevelt, but never because of the third or fourth term issue, taking the position at the time that so long as a President's candidacy is submitted to the people at frequent intervals—and a four-year interval is too long—there should be no objection to the retention of an able public servant in time of crisis. Actually it was the world crisis in 1940 and 1944 which elected Mr. Roosevelt for a third and a fourth term respectively, in disregard of precedent.

Dwight Eisenhower stands today in a unique position of world leadership. He has the respect and confidence not only of his own countrymen but of peoples everywhere. He made a great advance at the Geneva Conference last summer. He spoke for the free world. It was a sincere gesture of conciliation and a demonstration of how the spirit of human brotherhood can be expressed in concrete terms.

It is no disparagement of Mr. Eisenhower's use of moral force at Geneva in July to find an intransigeant Russia still refusing in November to give up her dreams of world conquest, and still scheming to obtain by conference and "compromises" what she cannot win by military force or threats of war.

More than ever skillful leadership is necessary to deal patiently with these set-backs. America, and indeed the Western world, needs at the helm a man who has the background of experience that Mr. Eisenhower has acquired not only in his military career but through the last three years of intimate contact with the diplomatic complexities of the "cold war."

Mr. Eisenhower's whole being is dedicated to world peace. He is the kind of man who has been trained to risk his life for his country in military service. He is the kind of man who would gladly risk his life in the cause of world peace.

Mr. Eisenhower's decision on whether or not to run will be based neither on party considerations nor on personal convenience. It will be based on high principle. He will ask himself again and again if it is really true that he can help the world to achieve peace in our times. He will modestly assume that no man is indispensable. In theory this is right. But there is no convincing argument against accepting a call to serve one's own government if it be the wish of an overwhelming number of the people.

What greater duty is there than to respond to the call of one's countrymen in a crisis which, if mishandled by someone else, could lead us into the most frightful war of all history!

Personal wishes and personal convenience have at times motivated public men to decline public office, but it is also true that the exigencies of a situation which go beyond the personal have often compelled men to become candidates when issues of transcendent importance were at stake.

President Eisenhower may therefore be confronted in August 1956 with a unanimous draft by the Convention, even though in January 1956 he may have announced his disinclination to become a candidate.

The American people today do not want Mr. Eisenhower at present to close the door against further service in the White House. They want him to wait as long as possible—until the eve of the convention if necessary—before making up his mind whether or not to heed the call that is coming to him not only from this country but from all over the world. The people everywhere want him to remain their leader, their champion and their exponent of a spirit of human friendship—their crusader for world peace.

For we are witnessing an anomaly. The man who led to victory the biggest military force in history has turned out to be the very man to lead the biggest moral force of all times to an even greater victory—the achievement of a righteous peace.

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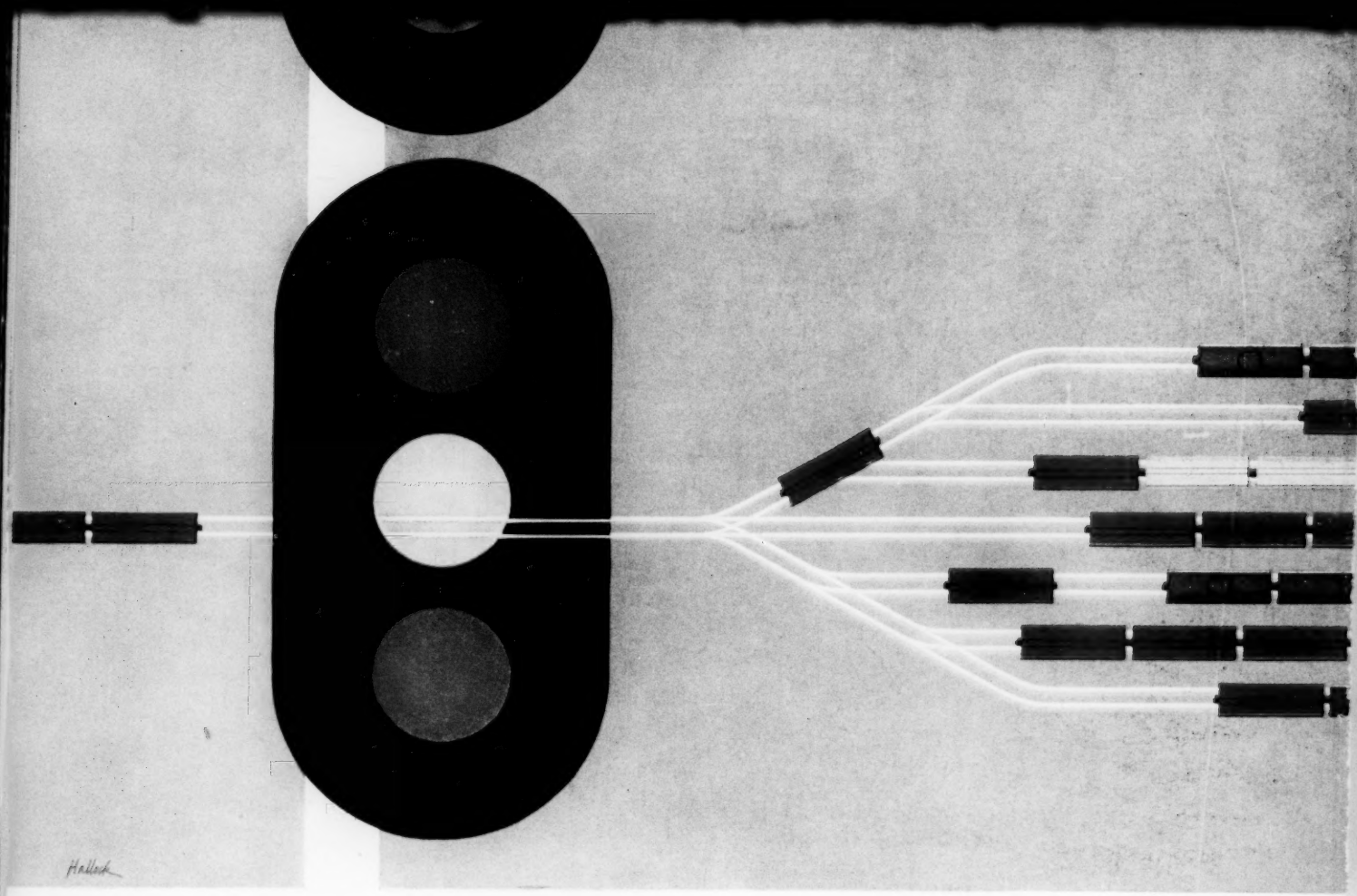

Railroads spend over $3,000,000 a day to modernize

Electronics, dieselization, financing strengthen transportation's backbone

When a fast freight is sidetracked to let a streamliner pass, the switch may have been thrown many miles away . . . by electronics. For now one man can regulate movements of trains over 200 miles of track by flicking switches at a central control board. Electronic devices also stand guard to stop trains if a signal is missed, assemble giant freight trains and help sell train tickets.

There have been major advances in locomotives, too. Diesels – which now do about 85% of passenger, freight, and yard work – save up to 25% of their cost every year. In the West, 25 oil-fired gas-turbine electric engines are now used by one road to move heavy-duty freight. On another road, a coal-burning steam-turbine electric locomotive promises substantial savings in fuel consumption.

To finance capital improvements, at an average cost of about $1 billion a year – to pay the same amount in taxes and over seven times as much in operating costs – calls for efficient financial planning. So in addition to overhauling operating equipment, railroads are refinancing outstanding securities – often with the help of the Transportation Department of The First National City Bank of New York.

Here are officers experienced in the problems of railroad finance. These First National City *bankers* help railroads achieve financial flexibility in their long-term financing by providing stand-by credits during refunding operations as well as term credits for equipment purchases. Also, our nationally known Bond Department often provides useful counsel on refunding procedures.

Another First National City service, Transcontinental Banking, helped a railroad increase its working cash several millions by making a "money-engineering" survey of its cash-flow operations.

Whatever your business, there are benefits in the creative approach of a First National City *banker*, and the many up-to-date, world-wide services he puts at your command. Consult us for the advantages of having a *banker* instead of just a bank account.

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